

ELECTRONIC WASTE PUBLIC FORUM
STATE OF CALIFORNIA
CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY
DEPARTMENT OF TOXIC SUBSTANCES CONTROL
CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD

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PROCEEDINGS

CIWMB BOARD MEMBER PAPARIAN: Good morning and welcome. Thank you for being here today. Also welcome to those who are listening to this workshop through our Internet audio broadcast.

I'm Mike Paparian. I'm one of the Board members of the California Integrated Waste Management Board.

Also with me here are Cal EPA Secretary Winston Hickox and Director of the Department of Toxic Substances Control, Ed Lowry.

We're expecting Senator Byron Sher to join us in a few minutes.

Before we get started, I'd like to ask you to turn off your cell phones and pagers, or at least turn them to the silent mode so that we're not disturbed during this workshop.

This is a workshop to discuss issues involving electronic waste. At our workshop today we'll hear from four panels, representing industry and business, environment and consumer groups, recycling and waste industry, and local government.

After the panels there will be time for additional public comments. If you would like to speak, you'll find speaker request forms. They're either in the back of the room or possibly on that table out in the

1 hall. Clarify that in a few minutes.

2 Before we here from the panels there'll be a
3 brief presentation from the staff of the Waste Board and
4 Department of Toxic Substances Control to review the
5 E-waste issue with emphasis on what we know about the
6 European systems for dealing with waste electronics.

7 Several of us here have brief opening remarks,
8 starting with Cal EPA secretary Winston Hickox.

9 CalePA SECRETARY HICKOX: Thanks, Michael.

10 Good morning, everyone. Thank you for taking the
11 time to be here this morning to join us for this electric
12 waste forum.

13 Cal EPA; DTSC, Department of Toxic Substances
14 Control; the Integrated Waste Management Board are
15 conducting this public forum and workshop to solicit input
16 from stakeholders in response to Governor Davis' challenge
17 to devise an innovative solution for source reduction,
18 recycling, and safe disposal of electronic waste.

19 Now, contrary to what most people believe, not
20 every single action taken by the Governor with regard to
21 every single bill involves my personal attendance at that
22 decision making process. But in this case I was there.
23 It was a Friday night at about 10:45 p.m., the Friday
24 immediately prior to the end of the period within which he
25 could act on legislation. And I was part of a fairly

1 lengthy discussion about a couple of bills that were
2 before him for consideration.

3 Good morning, Senator Sher.

4 SENATOR SHER: Good morning.

5 CALEPA SECRETARY HICKOX: And it was a very
6 difficult decision that the Governor ultimately had to
7 make with regard to the fate of those bills. He wrestled
8 with his concern about the need to create an expanded
9 state bureaucracy to deal with one of the proposed
10 solutions to this problem, in light of the need for at
11 that point in time a 5,000 person year reduction in the
12 state budgets.

13 We had fairly lengthy discussions about how the
14 program would have worked had the legislation in front of
15 him been signed into law.

16 And consistent among his remarks and reactions in
17 that discussion was his interest in finding a solution
18 that engaged the business community in figuring out how to
19 deal with this problem, that he had absolutely no
20 hesitation about recognizing its seriousness and
21 consequence.

22 He indicated in his veto message that he would be
23 willing to sign legislation that challenges industry to
24 assume a greater responsibility for recycling and disposal
25 of electronic waste.

1 He said he believed that California should have a
2 new law next year. That sounds fairly definitive to me.
3 He said he applauded the authors' efforts to address the
4 problems, which included increasing electronic waste
5 disposal or pollution problems, increasing cost to local
6 government, a growing stockpile of discarded electronics,
7 and sending this dangerous cargo to underdeveloped
8 nations.

9 Now, I'm not in the habit of plugging newspapers,
10 and this is not one of my favorites, but in case you
11 didn't see it, the San Jose Mercury News began a three-day
12 series of articles on this topic yesterday. I think this
13 is a very good start, and I would recommend that we all
14 take a look at this as another effort to create a better
15 sense in the public consciousness about the parameters of
16 this problem and what we need to do to address it.

17 Again to highlight the Governor's remarks in his
18 veto message, he indicated that building a state
19 bureaucracy to address this problem is not the best
20 solution for managing electronic waste. He said we should
21 compel industry to solve this problem, asking them to set
22 standards and provide flexibility -- that we should set
23 standards and provide flexibility so that they could meet
24 the standards.

25 We should establish recycling targets. We should

1 provide for the safe recycling and disposal of electronic
2 wastes. And we should not irresponsibly send waste to
3 undeveloped nations.

4 As part of the conversation when we searched
5 about for examples that might fit the description of what
6 he was trying to reach for, I did mention to him that it
7 sounded an awful lot to me like some of the effort under
8 way at the European Union with regard to product
9 stewardship was in the ballpark of what he had in mind.

10 And again he stated in his veto message, the
11 European Union is working on a program to assure that
12 manufacturers maintain responsibility for the safe
13 recycling of products they produce. "I'm encouraged," he
14 stated, "by the product stewardship approach, and believe
15 this model tailored to fit California's recycle and
16 disposal infrastructure is worth pursuing."

17 He indicated he strongly urged industry and other
18 interested parties to rapidly devise a solution -- that's
19 why we're here already -- in keeping with the goals that
20 he articulated in his message. He asked me as the
21 Secretary of Cal EPA to take a leadership role in working
22 with the Legislature, other levels of government,
23 industry, and stakeholders to create a successful
24 California electronic waste program.

25 Now, I think it's very important that we all

1 remember that there are already costs associated with
2 disposing of or recycling E-waste. Essentially it's a pay
3 me now or pay me later proposition. Californian's are
4 already paying indirectly for and will continue to pay for
5 E-waste that has been discarded mostly because it has or
6 will be a cost to the operators of landfills.

7 Governor Davis has challenged the people in this
8 room and their colleagues to devise a more rational system
9 we can improve on the question of who pays and when. And
10 we will eventually, through economies of scale and good
11 planning, drive down the costs associated with the
12 end-of-life cycle of these products.

13 Finally, I want to encourage you to submit your
14 recommendations for creating an electronic waste program
15 that responds to the Governor's veto message. We will be
16 creating an electronic mailbox on the Cal EPA website to
17 receive your comments. The Cal EPA website is located at
18 CALEPA.CA.GOV, or you can submit written comments directly
19 to Mike Paparian at the Integrated Waste Management Board.

20 I would appreciate receiving your comments by
21 December 16th. My staff will be preparing a written
22 summary of today's proceedings and compile everyone's
23 comments. I will have this information available on our
24 website by the end of December.

25 Again, thank you very much for being here today.

1 I expect that this will be a very productive and
2 worthwhile session.

3 And now I'd like to turn it over first to Ed
4 Lowry and then Senator Sher.

5 DTSC DIRECTOR LOWRY: Thank you, Mr. Secretary.
6 And thank you everyone for coming today.

7 I hope to learn a lot today. As you know, we're
8 all here because of the Governor's veto of Senator Sher's
9 bill. It was a bill that many hoped that the Governor
10 would sign. Others hope that he would veto. But none, I
11 dare say, expected him to veto it with the message and the
12 challenge which he included in his veto message.

13 And the Governor has given me and the other
14 boards and departments within Cal EPA and the Office of
15 the Secretary a difficult, but not impossible task. And
16 he has issued a challenge, a formidable challenge to
17 industry.

18 My task is to advice the Governor and the
19 Secretary on how government should play a role in the
20 growing E-waste problem and to manage through my
21 department hazardous aspects of electronic waste
22 management.

23 Industry's challenge, as framed by the Governor
24 and articulated more in detail by the Secretary, is to
25 help us devise a mechanism so that industry can accept

1 responsibility for the pollution that it generates by
2 virtue of bringing us the marvelous products which the
3 electronic age has brought to us.

4 And the challenge to the environmental community
5 and the challenge to the public, and the reason we have
6 asked everyone to be here today, is to help us
7 constructively deal with finding a solution to this
8 problem.

9 I want to take a couple of the minutes which have
10 been allotted to me this morning to give you a little
11 perspective on electronic waste as hazardous waste and how
12 it relates to my department.

13 In the past year or so we at DTSC have determined
14 that most electronic waste which is generated is likely to
15 be hazardous waste. That was a surprise to us. We've
16 been grinding up Palm Pilots and other things over the
17 past year and we'll continue to do so. And we are
18 discovering that most of that waste would be classified as
19 hazardous. We're not there yet making a final
20 determination, but it is surprising to us and probably
21 surprising to some of you.

22 We also know that E-waste, or electronic waste,
23 is the fastest growing component of municipal solid waste,
24 from about one or two percent of the solid waste stream
25 now. We estimate by the year 2010 that it will double.

1 And, simply stated, my staff advises me that by the end of
2 this decade the volume of E-waste being disposed of will
3 be roughly equal to the volume of hazardous waste which is
4 now manifested through our hazardous waste system.

5 We will do what government should, but is
6 sometimes afraid to do and, that is, address through our
7 own analysis, through forums like this, through the
8 regulatory and legislative process and through the
9 appropriate exercise of our regulatory jurisdiction, we
10 will address the issues raised by E-waste and its
11 hazardous and volumetric nature.

12 We already have in place a prohibition on
13 disposal of hazardous E-waste in municipal and solid waste
14 landfills. We have universal waste programs for lamps and
15 batteries, regulations for lead-acid batteries, hazardous
16 waste criteria for CFC's. We have land disposal
17 restrictions, similar to the European model, requiring
18 treatment of -- or pre-treatment of electronic waste prior
19 to disposal.

20 And we have a universal waste program in place
21 and in implementation and development that captures
22 hazardous waste that originates outside the traditional
23 industrial or manufacturing sector which we're used to
24 regulating.

25 And more recently, as you all know, in March of

1 2001, we recognized and formally announced that
2 televisions and computer monitors are hazardous waste when
3 discarded.

4 Now, bear in mind the DTSC has not and will not
5 declare by fiat that cathode ray tubes, televisions,
6 electronic wastes or any subset of that are electronic
7 waste -- an electric waste are a hazardous waste. That
8 determination simply follows from an analysis of what's in
9 it and what the regulations require. It is an analysis
10 which we do, but it is not a legislative act which we are
11 undertaking.

12 As you know, we adopted emergency regulations in
13 August of 2001 for cathode ray tubes. We will continue to
14 sample other consumer electronic devices, and we will keep
15 in close contact through our staff with the CUPA's, the
16 local enforcement authorities, the waste haulers, trade
17 organizations, manufacturers and the public about the
18 proper handling of CRT's in E-waste.

19 And if warranted, we will adopt regulations to
20 streamline our requirements for the disposal of electronic
21 waste which is hazardous, and evaluate current permitting
22 requirements. We will also coordinate with the Integrated
23 Waste Management Board, with local government and with
24 manufacturers on how best to manage this program, either
25 regulatorily or legislatively.

1 And, finally, we will be an active participant in
2 this process. I intend to pay close attention to what
3 everyone says today.

4 Once again, thank you very much for coming. I'm
5 reminded of 5th grade and college and so forth where there
6 are empty seats in the front and none in the back.
7 Perhaps it's time to take the sign off of the "reserved
8 for panelists" in the front row and ask the folks in the
9 back to sit in the front row if they'd like to.

10 CALEPA SECRETARY HICKOX: Senator Sher.

11 SENATOR SHER: Thank you, Mr. Secretary. Pleased
12 to be here. Pleased that you're having this task force
13 gathering to review this important problem for the state.

14 Mr. Secretary, you indicated that the Governor in
15 deciding his action on the electronic waste bills from
16 last year, including my own, that it was a very difficult
17 decision for him. I'd like to say, it was a very
18 difficult decision that he made for me as well.

19 (Laughter.)

20 SENATOR SHER: But nonetheless, decision was
21 made. And I think we take heart from the fact that, by
22 your comments, that there is a commitment and a
23 determination to act on this issue this year in a real and
24 constructive way that will address the problem.

25 I was interested that you referenced the European

1 Union directives. I happen to have a copy of those with
2 me. And they certainly are something we'll all want to
3 consider as we tackle this problem.

4 I don't agree with your assessment of the San
5 Jose Mercury. One of my favorite papers actually.

6 (Laughter.)

7 SENATOR SHER: It's the newspaper of general
8 circulation in my district, so I pay careful attention to
9 what they say. And you should too.

10 (Laughter.)

11 CALLEPA SECRETARY HICKOX: No.

12 SENATOR SHER: But in any event, I think we all
13 have the same objectives in mind. I'll be interested to
14 hear what the witnesses have to say today. And I hope
15 that all of them share our commitment to address this
16 problem this year.

17 CALLEPA SECRETARY HICKOX: Senator Sher, I had an
18 opportunity to share lunch with one of your staff on
19 Friday. And he did an incredibly eloquent job of
20 reminding me of the amount of effort that goes into
21 getting a bill to the Governor's desk for his decision. I
22 didn't really need that lesson over again, but it was good
23 of him to take the time to do it. And I do empathize with
24 what it must be like, especially I think with a far
25 reaching, incredibly important piece of legislation such

1 as yours and Senator Romero who's dealing with this
2 subject.

3 But I hope that there's some amount of empathy
4 for the difficulty in the decision the Governor faced and
5 some amount of respect for the challenge that he put back
6 against us all to deal with the subject. But I do
7 understand.

8 CIWMB BOARD MEMBER PAPARIAN: Okay. Let me just
9 add briefly to what's been said. I've been involved in
10 the E-waste issue since I was first appointed to the Waste
11 Board by Governor Davis two and a half years ago.

12 The E-waste issue includes many of the activities
13 and values that we at the Waste Board have been working
14 on, including product stewardship, design for the
15 environment, diversion of materials from landfills, and
16 minimization of packaging.

17 Some of the Board's activities on E-waste have
18 included things all the way from starting an electronics
19 waste web page that Terry Cronin, who's here in the room,
20 has done a great job of putting together, to helping fund
21 local government collection of E-waste through our
22 household hazardous waste grant program, drafting
23 environmental protection guidelines for local governments
24 to follow when they collect and recycle E-waste.

25 We've been working with the Department of General

1 Services -- and a couple of their representatives are here
2 in the front row -- to draft guidelines for the
3 procurement of electronics. We've also conducted
4 workshops that had over 100 participants from local
5 governments to share their experiences in dealing with the
6 E-waste issue. And we've been activity engaged in issues
7 surrounding product stewardship and E-waste.

8 I've been serving as the California
9 representative to the National Electronics Product
10 Stewardship Initiative, or NEPSI, along with Peggy Harris
11 at the Department of Toxic Substances Control. We had a
12 meeting of this group last Thursday in Chicago. Several
13 of us in this room were there. And I can report that we
14 made a lot of progress at the subgroup level, about a
15 dozen of us that got together in Chicago, and our moving
16 towards a framework for some national proposals that we
17 can present to the full 45 member NEPSI group for review,
18 hopefully by late February.

19 If that effort is successful, it would presumably
20 require national legislation. But progress there I don't
21 think should deter us from addressing the situation that
22 we've been facing in California. I think that we may be
23 better positioned to move forward more quickly to deal
24 with the problems that we're facing on this issue.

25 I also look forward to hearing the presentations

1 today and any public comments at the conclusion of the
2 panel presentations.

3 As to structure of this, I'll be facilitating the
4 workshop this morning, trying to move the panelists along
5 if that becomes necessary. But hopefully everybody will
6 keep to about a five to eight minute presentation in order
7 to allow us a good amount of time for interchange.

8 DTSC Director Ed Lowry will be facilitating the
9 session this afternoon.

10 So with that I'll turn it over to Peggy Harris
11 from the Department of Toxic Substances Control and
12 Shirley Willd-Wagner from the Waste Board for a brief
13 staff presentation.

14 Go ahead.

15 (Thereupon an overhead presentation was
16 Presented as follows.)

17 DTSC STATE REGULATORY PROGRAMS DIVISION CHIEF

18 HARRIS: We're going to talk briefly about WEEE. And
19 Shirley and I are going to do this together.

20 There are actually two directives that we will be
21 talking about this morning. The first is the WEEE
22 directive, which really addresses the waste electrical and
23 electronics equipment, with product take-back and
24 manufacturer responsibility.

25 We're also going to touch briefly on the other

1 directive, that is the ROHS directive or the restriction
2 on hazardous substances directive. And that restricts
3 certain heavy metals in electronics, and we're going to
4 touch very briefly on that.

5 These two directives were passed by the European
6 Union Council and the European Union Parliament in April
7 of '02. The text was reconciled in October of this year.
8 And the final versions were due within six weeks. And I
9 think that must have been what was voted on on Friday.

10 The member states actually have 18 months to come
11 up with national legislation.

12 When Shirley and I were researching the WEEE
13 directive and the ROHS directive, there are different
14 versions out there depending upon the timeframe that
15 you're looking at. Shirley and I discussed it and we
16 decided that we would be most happy to go to Europe and
17 actually look at this more closely if we were so
18 instructed.

19 (Laughter.)

20 --oOo--

21 SPECIAL WASTE DIVISION ACTING DEPUTY DIRECTOR
22 WILLD-WAGNER: All right. We'll speak first to the
23 objectives that have been outlined in the WEEE directive.

24 Excuse my voice. I had far too much involvement
25 in a swim meet over the weekend and I sort of lost it

1 here.

2 The overall goals that are identified in the
3 directive are the prevention of waste electrical and
4 electronic equipment, reuse, recycling, and other recovery
5 of WEEE to reduce the disposal; and to improve the
6 environmental performance. And this involves all of the
7 players in the life cycle of WEEE management: Producers,
8 distributors, consumers, and the member states. It also
9 has a focus on design for the environment and specifically
10 mentions as priorities reuse and recycling.

11 --o0o--

12 DTSC STATE REGULATORY PROGRAMS DIVISION CHIEF
13 HARRIS: The WEEE directive scope is perhaps a little
14 different than that which was actually addressed the
15 Governor's veto message. The WEEE directive scope
16 included large household appliances which would be such
17 things as washing machines; freezers; microwaves; small
18 household appliances, such things as toasters, irons; IT,
19 intelli-communication equipment, computers, telephones,
20 those sorts of things; consumer equipment, such things as
21 radios, televisions; lighting equipment, which would be
22 fluorescent lamps, HID lamps -- there are other types of
23 lamps that were listed as well -- electrical and
24 electronic tools, such things as drills and saws; toys;
25 leisures; sports equipment; things such as video games,

1 which I agree should be banned.

2 (Laughter.)

3 DTSC STATE REGULATORY PROGRAMS DIVISION CHIEF

4 HARRIS: Medical devices. And there were some exceptions
5 to this, those that have infectious product. Monitoring
6 and control instruments such as smoke detectors and
7 thermostats and automatic dispensers. And by this they
8 mean such things as drink dispensers.

9 --o0o--

10 SPECIAL WASTE DIVISION ACTING DEPUTY DIRECTOR

11 WILLD-WAGNER: Moving now to some of the key components of
12 the WEEE directive. The directive lays out
13 responsibilities for the various parties involved in the
14 chain. Member states specifically are responsible to
15 ensure that design and production of electrical equipment
16 facilitates dismantling and recovery.

17 Specifically also the member states are to ensure
18 that design features and specific manufacturing processes
19 do not inhibit reuse and recycling of the equipment.

20 As Peggy mentioned, we're going to speak now
21 about the ROHS.

22 --o0o--

23 DTSC STATE REGULATORY PROGRAMS DIVISION CHIEF

24 HARRIS: This particular directive states that the member
25 states shall ensure that by January 1st of '06 the WEEE

1 directive has phased implementation, that the use of lead,
2 mercury, hexivalent chromium, polybrominated biphenyl,
3 polybrominated diphenyl ethers, PBB's or PBDE's are
4 prohibited from being in those products.

5 There were some exceptions to that list. And the
6 exceptions were to ensure that the substances were
7 technically and scientific unavoidable or if the impact
8 caused by the substitution would outweigh the
9 environmental benefits.

10 The directive also authorized certain amendments
11 to be adapted to the scientific and technical advances.
12 And one of the things that could be modified were looking
13 at the maximum tolerable concentration levels for specific
14 materials and components of the electrical and electronic
15 equipment.

16 Also to be considered were whether or not the
17 elimination was going to result in a technically or
18 scientifically impracticable outcome. Also if the
19 disbenefits would outweigh the benefit.

20 --o0o--

21 SPECIAL WASTE DIVISION ACTING DEPUTY DIRECTOR
22 WILLD-WAGNER: Back to the WEEE directive. Another
23 responsibility for the member states is to adopt
24 appropriate measures to minimize the disposal of waste
25 electrical and electronic equipment as unsorted municipal

1 waste and to achieve a high level of separate collection
2 of WEEE. Specifically, the member states were made
3 responsible for ensuring that systems are in place to
4 collect free of charge from private households their
5 electronic wastes. This could include distributor
6 take-back options.

7 Producers under the directive or third-party
8 organizations are responsible to provide for the
9 collection, either individually or jointly.

10 On the distributor side. When a new product
11 becomes available, distributors shall be responsible for
12 ensuring that the previous product can be returned to that
13 distributor free of charge. And they tie it to being the
14 same product or the same brand or for filling the same
15 function as the new product.

16 Member states are also responsible to ensure that
17 waste electrical and electronic equipment that is
18 collected is transferred to authorized treatment
19 facilities only, and it establishes a minimum rate of
20 separation as a goal to collect four kilograms per
21 inhabitant per year for private households.

22 --o0o--

23 DTSC STATE REGULATORY PROGRAMS DIVISION CHIEF
24 HARRIS: The WEEE directive also addresses the treatment.
25 And it basically says that the member states shall ensure

1 that the producer or third parties that are acting on
2 their behalf set up a system to provide for the treatment
3 of WEEE using the best available treatment recovery and
4 recycling techniques.

5 It allows for systems to be set up for the
6 producers, either individually or collectively.

7 One of the things that was in the WEEE directive
8 was it actually makes the producers responsible, but it
9 allows them to form some sort of an individual or
10 collective organization to deal with it. But it still
11 makes the producer responsible.

12 It also allows the member states to set up
13 minimum quality standards for the treatment and collection
14 of WEEE. And there were specific requirements that were
15 set out in the directive. At a minimum there had to be
16 removal of certain items, such as batteries, mercury
17 containing components such as switches or back-lighting
18 lamps, asbestos waste and components, CRT's, CFC's, and
19 there were a list of other things. Those are just the
20 things that sort of were near and dear to my heart, so
21 they're the ones I'm identifying.

22 There are also specific requirements such as the
23 fluorescent coating had to be removed from the CRT's.

24 The treatment operations do require a permit from
25 the member state. However, the recovery operations could

1 have a yearly inspection in lieu of the permit. The
2 member state is responsible for establishing the minimum
3 quality standards for treatment. And then the WEEE
4 directive also lays out specifically what the inspection,
5 which must occur on a yearly basis, would include, looking
6 at the type and quantities of waste, generally technical
7 requirements and safety precautions.

8 The sites that are chosen for the storage and the
9 treatment must comply with certain requirements. Also any
10 wastes that are exported out of country have to meet the
11 goals set by the member state under equivalent condition.

12 --o0o--

13 DTSC STATE REGULATORY PROGRAMS DIVISION CHIEF
14 HARRIS: The WEEE directive also sets out recovery goals.
15 I'm not going to go into these specifically other than
16 just sort of lay out what the intent was.

17 The WEEE directive said that by 12/31/06 there
18 must be a minimum rate of collection, as Shirley mentioned
19 earlier, of four kilograms per inhabitant per year from
20 households.

21 There were different recovery goals that were set
22 up for different types of waste. And there were different
23 goals for recovery and there were different goals for the
24 waste that have to be reused and recycled.

25 It also specified that the member states should

1 give priority to reuse of whole appliances. And it also
2 specified that those appliances could not be calculated
3 into the targets until 12/31/08.

4 It also specified that member states had to
5 ensure that the producers of a TPO keep records on the
6 mass of the waste electrical and electronics, their
7 components, materials or substances when entering or
8 leaving the treatment recovery or recycling facility.

9 The European Union Parliament and Council were to
10 establish new targets for the recovery and recycling,
11 including whole appliances and medical equipment.

12 The WEEE that's exported out of the European
13 Union could only count toward these goals if it met the
14 requirements of the directive.

15 --o0o--

16 SPECIAL WASTE DIVISION ACTING DEPUTY DIRECTOR

17 WILLD-WAGNER: Moving to an area I know no one is
18 interested in, is financing.

19 The WEEE directive specifies that producers are
20 responsible for financing the collection, treatment,
21 recovery, and environmentally safe disposal of waste
22 electrical and electronic equipment from households
23 deposited at collection facilities.

24 Each producer is responsible for new products
25 individually or collectively. So from here forward in the

1 future each producer is responsible for their new
2 products. Yet historic waste becomes the responsibility
3 of all producers, shared based on their market share for
4 that particular product.

5 One of the concerns in California was dealing
6 with Internet sales. The WEEE directive does specify that
7 producers supplying by distance communications are also
8 responsible for these same requirements. That includes
9 the Internet or mail-order sales. Since the scope of the
10 WEEE directive was a bit broader, mail, catalogs, et
11 cetera, might be covered in this.

12 --o0o--

13 SPECIAL WASTE DIVISION ACTING DEPUTY DIRECTOR
14 WILLD-WAGNER: Under the directive member states are made
15 responsible for public information. This is pretty
16 straight forward. Member states need to ensure that
17 education is available to the consumers about the:

18 Collection. First off, the collection must be
19 separate, and then what are the collection opportunities;

20 Consumer responsibility and how they play into
21 the responsibility for the management of electronic
22 devices;

23 The potential impacts of the hazardous materials
24 in the electrical devices;

25 And the labeling implications.

1 On the other hand producers are responsible for
2 developing and placing product labels that denote that
3 separate collection of electrical equipment is required.

4 --o0o--

5 DTSC STATE REGULATORY PROGRAMS DIVISION CHIEF
6 HARRIS: As I said earlier, the member states actually
7 have a year and a half to adopt national legislation
8 consistent with the WEEE directive. In the interim many
9 states have actually already adopted legislation, some
10 more consistent than others, with the WEEE directive.
11 Some of this legislation includes an advanced recycling
12 fee, either visible or invisible. Some of the current
13 legislation is actually allowing for end of life up until
14 the national legislation to implement the WEEE directive.
15 Some of the national legislation already requires a
16 mandatory take-back. The products that this applies to
17 varies by the member state or country.

18 And 11 countries already have mandatory
19 electronic recovery laws. Some of these are actually
20 outside of the European Union, such as Japan. But we just
21 wanted to sort of identify that in fact states already are
22 moving forward with mandatory electronic recovery laws.

23 --o0o--

24 DTSC STATE REGULATORY PROGRAMS DIVISION CHIEF
25 HARRIS: This is just giving you our information. I'm

1 with the Department. This is our E-mail address. And it
2 has information related to electronic hazardous waste. We
3 have our regulations, our proposed regulations. And
4 Shirley's information and her web address.

5 CIWMB BOARD MEMBER PAPARIAN: Any questions from
6 the panelists of our staff before we move into the panel?

7 Ed?

8 DTSC DIRECTOR LOWRY: No.

9 CIWMB BOARD MEMBER PAPARIAN: Okay. Thank you
10 very much. That was an excellent overview of the WEEE
11 directive and related issue.

12 For those who might be not in the room but who
13 are listening in, the links that were just mentioned can
14 be found via the Waste Board's website at WWW.CIWMB.CA.
15 GOV. And you click on "electronics," which will take you
16 to our electronics page, which also has links to the DTSC
17 electronics page.

18 Our first panel is going to be an industry panel.
19 There are four members. If you want to go ahead and come
20 forward, the folks who are on that panel. There are
21 three, I think, listed on your agenda. We actually have a
22 fourth. And I'll explain that in a second.

23 There's name tags up here for three of you.
24 Heather, you can just make yourself comfortable right
25 there.

1 That's fine.

2 We have the four panelists:

3 Doug Smith from Sony. Sony has been involved in
4 actually not only recycling their own electronics, but
5 have been involved in finding markets for electronics
6 through the use of some other recycled products in the
7 manufacture of some of their materials. They've also had
8 an active presence in Europe.

9 Renee St. Denis from Hewlett-Packard.
10 Hewlett-Packard has also had a very active presence in
11 Europe. And H-P has actually set up now two major
12 recycling facilities in the United States, including one
13 in Roseville just east of Sacramento, where they take in
14 pretty large volumes of electronic waste and reuse or
15 recycle the equipment that comes through there.

16 Bruce Young is a former Assemblyman, and now with
17 the California Retailers Association. And retailers have
18 had an active interest in Europe and a very active
19 interest in California and the United States about what
20 might happen in terms of implications for retailers of any
21 of the models that we're talking about.

22 And Heather Bowman from the Electronics Industry
23 Alliance. I twisted her arm to be on this panel kind of
24 at the last minute. Heather is based in Washington DC,
25 has been very involved in the NEPSI efforts. And her

1 membership also has a very active interest in what's
2 happening in Europe as well as across the United States.

3 I'm not sure. Have you talked amongst yourselves
4 who might go first?

5 MS. BOWMAN: Why don't we just go in the order
6 that you put them on the agenda and start that way.

7 CIWMB BOARD MEMBER PAPARIAN: Okay. Is that all
8 right, Doug.

9 Okay. If you notice on your microphones the
10 little thing that says "push" -- Peggy's going to help you
11 out here for a second. The green light needs to be on in
12 order for people to hear you.

13 So go ahead, Doug.

14 MR. DOUG SMITH: I'll try to keep within the
15 timeframe. I have a short presentation I'd just like to
16 just go through, kind of give you our perspective on what
17 we think.

18 But we definitely appreciate the fact that, you
19 know, you've invited us to speak. I'd like to say I'm
20 here from industry and I'm here to help.

21 (Thereupon an overhead presentation was
22 Presented as follows.)

23 CIWMB BOARD MEMBER PAPARIAN: We're from the
24 government and we're here to listen.

25 MR. DOUG SMITH: We've had a good relationship

1 with a lot of folks in the audience. And also Mike
2 Paparian's staff and office have been very willing to
3 listen when things come up.

4 --o0o--

5 MR. DOUG SMITH: Real quick. You know, our
6 experience with electronic waste isn't as bad as we hear
7 out there from a lot of groups like this.

8 We recycle, you know, more than 80 percent from
9 our factories in North America. We're generating well
10 over \$2 million, it's probably closer to \$3 million in
11 revenues from recycling from our facilities. The
12 refurbishing center waste, which is where all the "in
13 warranty" returns come back. We're generating profits of
14 over about \$200,000 a year from that waste. And this is
15 just waste electronics.

16 In-service warranty waste. These are service
17 centers that repair. We recycle 100 percent. And you
18 look at the CRT's that come in with products versus the --
19 also the other electronics scrap, it's basically a wash.
20 There's no cost to us for those recycling efforts. And
21 those could be out of warranty.

22 At our facility in Pittsburgh we've invited
23 Envirocycle, which is the East Coast CRT recycler, to
24 locate at our facility. And they're processing well over
25 500 tons a week of post-consumer electronic glass.

1 On post-consumer content we're consuming well
2 over 8 million pounds a year of post-consumer plastic.
3 And this is at a savings, for our manufacturing cost
4 savings, of more than \$4.6 million a year.

5 Clean glass, cull it, or what we put back in our
6 furnaces, this is worth about \$200 per ton as we receive
7 it at a glass factory.

8 --o0o--

9 MR. DOUG SMITH: Our message has always been,
10 everyone has a role to play with this issue.

11 --o0o--

12 MR. DOUG SMITH: As a manufacturer, what do we
13 do? We design products to be recycled. We've proven
14 this. There's no mystery to recycling this stuff. It
15 happens throughout the United States every day of the
16 week. Many people employed. We use recycled material in
17 our products. We want to keep developing that because it
18 lowers our costs of products, which ultimately go to the
19 consumer.

20 We work with recyclers that do a good job and
21 also share our vision for this. And we want everyone to
22 be profitable along the way.

23 --o0o--

24 MR. DOUG SMITH: Our TV design, I think I've
25 talked a little bit about this already, the lead-free

1 solder. But, frankly, if we look at this scale of
2 balance, we're very efficient at mass production, mass
3 marketing, effective logistics, and competitive retail.
4 What we're not good at is reverse logistics. There's very
5 poor efficiencies of scale right now to make this
6 profitable.

7 And we did a paper several months ago -- and a
8 lot of people didn't appreciate the paper -- but the fact
9 is, electronic waste has about 10 times the metal value of
10 ore that you can dig out of the earth. And if a company
11 can be profitable in taking dirt out of the earth, turning
12 it into metal, why can't we be profitable with this? And
13 that's -- you know, we come from that attitude, we should
14 be able to make money at this, everyone should be able to
15 make money at this at some time in the future,
16 --o0o--

17 MR. DOUG SMITH: We talk about the roles again.
18 The retailers, you may think that we're the interface for
19 the consumer. We're really not.

20 The retailers are the interface with our
21 consumers. Certainly we work together closely on this,
22 but we aren't that personal connection necessarily with
23 consumers.

24 Consumers, they have to decide on their
25 purchasing habits if they want to buy from a good company.

1 And they also have to make the decision at the end of life
2 what they're going to do with it. I mean small
3 electronics can go in the trash, nobody will see those.
4 But they have make that decision to recycle it.

5 Municipalities, we think they have to give the
6 consumer the opportunity to recycle this material. And
7 they also are the logical point to set up a mass -- so we
8 can get that economy to scale they can collect the massive
9 quantities that are required.

10 Recyclers, of course they're a service provider.
11 They're going to do whatever we want, whatever the
12 government wants. They are a service provider. But they
13 do need to work with the material suppliers so that the
14 material suppliers can get that material back into our
15 manufacturing plants. The State of Minnesota with EPA
16 Region 5, for the last year we've had this project. We're
17 taking electronic waste -- we already know electronic
18 waste plastic can go back into new electronics. We did
19 that on another project. But this new project we have
20 with them they have to be competitive with current virgin
21 materials on the costs. And they're doing that, and it's
22 real -- we're real close to taking electronics, sending it
23 to our material supplier, who would then ship it to our
24 molder so it would go back into new TV sets.

25 --o0o--

1 MR. DOUG SMITH: But our goal is, we want this to
2 be profitable. It should be -- recycling should be as
3 easy as disposal of any other type of waste. We want to
4 see a closed loop according to the grado concept,
5 resources are conserved and energy is minimized.

6 And that's my presentation. I have some -- if I
7 have time, I do have some answers to the five questions
8 you posed for us.

9 CIWMB BOARD MEMBER PAPARIAN: Do you want to go
10 into those now or you to wait --

11 MR. DOUG SMITH: I'll wait. It's up to you.

12 CIWMB BOARD MEMBER PAPARIAN: Renee.

13 MS. ST. DENIS: I'm Renee St. Denis from
14 Hewlett-Packard. I want to thank you all for giving us
15 the opportunity to come here today and share our
16 experiences with you on the top government electronics
17 recycling.

18 First, for anybody who doesn't know about H-P,
19 let me tell you a little bit about us.

20 H-P is a manufacturer of IT and electronic
21 devices, some of the kinds of things you we're talking
22 about today. Our sales last year after the merger with
23 Compaq were about \$85 billion, so we're kind of a big
24 player in this market.

25 We have about \$150,000 employees and operate more

1 than 500 countries around the world. So for us, this
2 topic of electronics recycling is not a new one because
3 it's something we're facing in all parts of the world
4 where we operate.

5 Mr. Paparian was nice enough to mention our
6 facilities that we have in Roseville, California, and
7 Nashville, Tennessee, which are U.S. facilities for
8 product take-back and recycling. These were developed to
9 handle end-of-life electronics from our customers. And we
10 manage somewhere on the order of three and a half to four
11 million pounds of electronics each month at the two
12 facilities combined. We do that in partnership with a
13 company called Noranda, which is a big name in --
14 companies. As Doug pointed out, much of the value in that
15 stuff is actually in the ability to mine it as you would
16 ore for some of the metal. We'll talk about that a little
17 bit more in a minute.

18 H-P does have a long-standing commitment to the
19 environment. And we demonstrate that through the strong
20 management support we have and the fact that all of our
21 environmental responsibility guidelines and reports are
22 available on our website at WWW.HP.COM.

23 So generally, I think our preference in terms of
24 legislation or a regulatory framework would be a national
25 approach. We're concerned that a patchwork of state

1 systems is going to be inefficient and expensive and
2 administratively difficult for us to manage.

3 We are working on a national level promoting
4 federal legislation, and we do sit on the roundtable of
5 the National Electronic Products Stewardship Initiative,
6 NEPSI, with Mr. Paparian.

7 We think that California should continue that
8 work with the other stakeholders and the technology
9 industry to come up with a national solution that's
10 comprehensive and serves everybody's needs.

11 But, let's be honest. That's not why we're here
12 today.

13 If we're going to proceed as a state
14 individually, we really feel like there needs to be
15 harmonization at a federal level. So whatever system
16 California comes up with should be consistent with federal
17 regulations that are already in place and federal
18 requirements that exist today.

19 Our goal as H-P is to develop a structure that
20 meets our environmental protection goals in the most
21 flexible, cost-effective means possible.

22 Briefly, we'd had quite a bit of experience with
23 the WEEE directive. And I'd just like to add one point of
24 clarification. We talk about the WEEE directive very
25 often within H-P and industry groups and even in forums

1 like this as though it is legislation when it is really
2 the basis for legislation. And it is important to
3 understand that because the WEEE initiative is still under
4 negotiation. Certainly a lot of discussion going on about
5 the actual implementation guidelines. So what it set is a
6 broad framework, but not specifically the implementation
7 guidelines. And so when we talk about adopting a WEEE
8 system, we really aren't talking about adopting a specific
9 set of guidelines for electronics recycling.

10 Also, we know that we can learn a lot from the
11 WEEE directive and the European experience. But this is
12 not Europe. We need to make sure that we take into
13 account all the differences that appear in our economy,
14 important political, geographic, population density and
15 cultural differences that will really affect how
16 successful a system of electronics recycling will be.

17 Can't just kind of adopt the WEEE or European
18 model wholesale. Europe, they're still developing their
19 approach and experimenting. So there's still no clear
20 directive from them about how they're going to ultimately
21 set up this system.

22 But we do have some recommendations about how to
23 create an efficient, flexible, nonprescriptive, fair
24 system. Our goal is going to be avoid the imposition of
25 unnecessary costs and enable innovation for recycling

1 systems and technologies and environmental design. We
2 think that will hold the costs down for everybody
3 involved, because ultimately we're all going to pay part
4 of the price.

5 Before that I would like to address briefly the
6 recycling requirements and regulations that are being
7 proposed by DTSC.

8 We know that we need an appropriate framework for
9 the handling and recycling of CRT's and other electronic
10 devices. But we are concerned that California may be
11 going in the wrong direction in this regard.

12 Regulations on recycling operations and
13 classification of waste electronics should not be unduly
14 prescriptive and add unnecessary costs. We feel that
15 these devices do not pose environmental risks in normal
16 handling, transportation, and recycling; and that imposing
17 hazardous waste requirements will increase costs. These
18 costs could also drive recycling businesses out of
19 California, which is a concern for us because we have a
20 big investment in a recycling facility here in California.
21 They will certainly raise costs, and their's no clear
22 indication that they will increase the environmental
23 benefits that you would want to see from these
24 regulations. And I'd be happy to talk about that later
25 this afternoon if you'd like.

1 And we think recycling facilities need to be held
2 to reasonable standards, but certainly not those of
3 hazardous waste facilities.

4 Okay. So what is our recommendation? H-P
5 endorses a system of producer responsibility. Based on
6 the practical on-the-ground experience we've had with
7 take-back in Europe and in the U.S. where we offer a
8 fee-base take-back system and in Canada where we have a
9 similar system -- and those last two both being voluntary;
10 we headed the legislation there -- we feel that the most
11 efficient, most flexible, probably best system is one
12 where we keep producer's responsibility at the forefront
13 of the regulations.

14 In terms of the regulations in front of us
15 today --

16 DTSC DIRECTOR LOWRY: What does that mean,
17 producer responsibility at the forefront of the
18 regulations?

19 MS. ST. DENIS: So we think that we have an
20 important role to play. Doug put up kind of what the
21 roles were. We really think that our role is to
22 participate in the design of products that would make them
23 more efficient for recycling and also to bear the physical
24 and/or financial responsibility for the recycling portion
25 of the end of life supply chain, if you will. So these

1 things have to be collected and then consolidated,
2 transported somewhere and recycled. We know that at a
3 minimum we want to be responsible for the recycling
4 portion of that.

5 Is that clear?

6 SENATOR SHER: Not to me.

7 You want to be responsible so you're going to
8 eliminate the fee that you charge people to return the
9 post-consumer product to your Roseville plant?

10 MS. ST. DENIS: Ultimately that's right. So what
11 we would want to do is create a -- work with you to create
12 a regulatory and legislative framework that holds all
13 manufacturers responsible for their own products or for
14 their own share of the pile, and then leave it up to us
15 within the bounds of the environmental regulations and
16 regulatory framework again to manage that recycling and
17 bear the cost; that we would internalize that cost in our
18 products.

19 SENATOR SHER: So H-P would support legislation
20 this year to impose that kind of responsibility, making
21 each manufacturer responsible, allowing you to cooperate
22 with others if there were efficiencies of scale?

23 MS. ST. DENIS: Absolutely, yes.

24 SENATOR SHER: Well, that's progress.

25 (Laughter.)

1 SENATOR SHER: Everybody ready to go home?

2 MS. ST. DENIS: Okay. So I'm going to skip over
3 telling you why we want to do that, because I bet you can
4 guess that we want to play our part.

5 In a framework like that the key is going to be
6 enforcement. Because it's clear that moving toward a
7 system where H-P bears those costs internally, and again
8 they'll be in the price for products but not necessarily
9 in a visible way, H-P is going to discharge that
10 regulation legally and in full compliance with the law.
11 Our concern is that that imposes additional costs on us.
12 And again these are costs we're willing to bear. But we
13 need your help to make sure that these same costs are born
14 equally by our competitors, to create a level playing
15 field, if you will.

16 And so --

17 SENATOR SHER: Well, what -- is it all right, Mr.
18 Chairman, if I can interrupt here?

19 That's a familiar argument that we've heard
20 before. But obviously if we implement a system like this,
21 even though we recognize the Governor is opposed to
22 setting up a new bureaucracy at state level, there will
23 always be a role for the state agency, presumably the
24 Waste Board, to play -- to certify the program that the
25 legislation mandates.

1 And one way to ensure that this -- there's a
2 so-called even playing field is to provide, as I would
3 suggest, and tried to do in my legislation, that no state
4 agency could buy any of these products unless they were
5 manufactured by a company that had its systems certified.

6 And we heard even from those competitors of H-P
7 who don't sell through retail outlets in California that
8 they understood that that would apply to them and that --
9 so would you agree that that might well take care of the
10 problem?

11 MS. ST. DENIS: I don't think that that would be
12 sufficient. So we would want to have --

13 SENATOR SHER: Why?

14 MS. ST. DENIS: Because we would want to have a
15 system in place that would ensure that the burden of the
16 recycling falls on those who participate in the market.
17 So certainly using government contracting as one lever for
18 that will help. But there will be people who choose not
19 to sell into those markets or find another way around it.
20 So we would want more restrictive, or I guess, stronger
21 regulations in place to ensure that if you sell electronic
22 devices in California, you do have a system that your
23 customers can use for free to do the recycling the same
24 way as what we would want to set up for H-P.

25 SENATOR SHER: And what's your solution to how to

1 ensure that beyond what I've suggested?

2 MS. ST. DENIS: So that gets complicated. And
3 we've done a lot of work on that in Europe particularly,
4 and we started to do that in the U.S. Primarily it would
5 involve -- well, the easiest way to do it would be to
6 apportion the responsibility for the recycling, probably
7 based on some kind of market share within the state. And
8 then you could move that responsibility, either
9 financially or physically, at your discretion or at the
10 discretion of the parties involved, to the companies that
11 participate in the marketplace.

12 So, let's say, there are 10 companies selling one
13 particular kind of device. We figure out how much comes
14 back. Divide it up by market share, and give them all a
15 choice of either a bill or coming to get the physical
16 products that they need to take care of at the end of the
17 life.

18 DTSC DIRECTOR LOWRY: So let's say
19 Hewlett-Packard has a 22 percent market share. The state
20 would -- who would bill you? Or would we simply say, "You
21 can close down your facility when you've taken 22 percent
22 of the CRT's that come in."?

23 MS. ST. DENIS: Right, exactly. So you leave us
24 with the option of taking back either our pro rata share
25 of the stream coming in or our pro rata share of the bill

1 that the government's left with if we choose not to
2 discharge that obligation physically ourselves.

3 DTSC DIRECTOR LOWRY: Okay. So if you do 18
4 percent, you get a bill from me or the Waste Board and it
5 says, "You owe us \$180 gazillion for the extra 2 percent"
6 or extra 4 percent that you didn't do?

7 MS. ST. DENIS: Right.

8 DTSC DIRECTOR LOWRY: And we might then in turn
9 pay Dell, for example, because they did 4 percent -- they
10 took your 4 percent share?

11 MS. ST. DENIS: Sure.

12 DTSC DIRECTOR LOWRY: Okay.

13 MS. ST. DENIS: Is that clear?

14 DTSC DIRECTOR LOWRY: So far.

15 SENATOR SHER: And so you assume that the state
16 through its legislation could impose these obligations on
17 your competitor Dell that you seem so worried about?

18 MS. ST. DENIS: I'm not an attorney, so you would
19 have to talk to the attorneys. I'm here to represent what
20 we know we can do from a technical recycling stand and the
21 system we think would work. But, again, I am not expert
22 on drafting legislation. But we think this has more --
23 provides us --

24 SENATOR SHER: You're not an expert on drafting
25 legislation, but you are an expert on what position you're

1 going to take on legislation that's been drafted. So, you
2 know, the question I put to is, if we did propose
3 legislation that was along the lines that you've suggested
4 and that assume that we would impose this requirement and
5 it would be across the board on in-state manufacturers and
6 out-of-state manufacturers, would Hewlett-Packard support
7 that legislation?

8 MS. ST. DENIS: Yes, we would.

9 SENATOR SHER: Which is different from the
10 position you took on last year's legislation where you
11 opposed the legislation because you said that California
12 did not have the authority or the power to impose these
13 kind of mandates on the out-of-state manufacturers.

14 So, yeah, I just want to be clear about it.
15 You've changed your position, that you now are prepared to
16 support legislation that purports to impose these
17 requirements along the lines that you've outlined on all
18 manufacturers of these products --

19 MS. ST. DENIS: Correct.

20 SENATOR SHER: -- whether they sell -- no matter
21 how they sell their products in California?

22 MS. ST. DENIS: So -- yes. Our position is -- it
23 is slightly different than last year. So last year our
24 opposition was with regard to the imposition of the fee,
25 which we felt could not be imposed on all of our

1 competitors as well as ourselves.

2 We feel that there is a way to draft legislation
3 by going toward a position of producer responsibility
4 without a fee that will allow the State Legislature to
5 impose that on all of our competitors and ourselves.

6 SENATOR SHER: It's not a fee, but it imposes on
7 the manufacturers an obligation that will cost them
8 something?

9 MS. ST. DENIS: That's right. But not the
10 collection of a fee.

11 DTSC DIRECTOR LOWRY: I took Civil Procedure from
12 then Professor Sher.

13 (Laughter.)

14 DTSC DIRECTOR LOWRY: And I'm at the point now
15 where I'm thinking don't ask any more questions. I'd like
16 to hear what the other panelists think about where we're
17 going here.

18 And I didn't mean to cut you off.

19 MS. ST. DENIS: No.

20 DTSC DIRECTOR LOWRY: And back to Sony maybe, see
21 what they think about that.

22 MS. ST. DENIS: That's probably enough out of me
23 today.

24 (Laughter.)

25 MS. ST. DENIS: But I will be here to answer

1 questions. So I'll go ahead and turn it over.

2 CIWMB BOARD MEMBER PAPARIAN: I'm sorry. Let me
3 just ask one more question for clarification.

4 When material's coming through the system, if you
5 will, there's a collection point, often a consolidation
6 point, there's then transportation costs to a facility
7 that would recycle the material. The question often is:
8 At what point should the various parties take some
9 financial responsibility?

10 In the system that you're describing, would the
11 industry take the responsibility at the collection point
12 or the consolidation point or at the recycling end? Would
13 they cover the transportation costs?

14 MS. ST. DENIS: Part of it. Our responsibility,
15 we think, should start at the consolidation point. We are
16 not experts in municipal collection. There are others who
17 are much better suited to doing that than we are.

18 But we are willing to continue to invest in
19 recycling technology and use the logistics systems that
20 we've set up for product distribution, leverage from those
21 in order to get the product returned to consolidation
22 points into the recycling systems and take the
23 responsibility for all of those costs.

24 CIWMB BOARD MEMBER PAPARIAN: Okay. Thank you.

25 I think we will move on.

1 Mr. Young I know --

2 DTSC DIRECTOR LOWRY: Can I follow up with one
3 question?

4 And that is, we've heard a lot about
5 responsibility and all that, and yet I here
6 Hewlett-Packard saying, "But we don't want to pay for the
7 collection." And you're reason is "We don't know how to
8 do that very well." Shouldn't you be obligated to pay
9 someone else to do it? Because, after all, you generated
10 the product to make the profits from the product and --
11 you know how the litany goes.

12 MS. ST. DENIS: We feel that there is a need for
13 shared responsibility. We need to make sure that the
14 people who use our products, our customers and your
15 customers, play their role, which is to get these things
16 to a responsible location for recycling for recycling and
17 to be sure that they're recycled in a way that's
18 environmentally sound.

19 But we do feel that there is a role for the
20 municipality or the government or society at large, if you
21 will, to play in using the collection and consolidation
22 systems that exist today and to move these things to a
23 point using an efficient leverageable process that exists.

24 DTSC DIRECTOR LOWRY: Who do you think should pay
25 for it?

1 MS. ST. DENIS: I think that the municipality
2 should pay for that.

3 DTSC DIRECTOR LOWRY: Through what, taxes?

4 MS. ST. DENIS: Through the -- yeah -- well, it
5 has to come out of the tax payer's pocket somehow, yes.

6 DTSC DIRECTOR LOWRY: Why?

7 MS. ST. DENIS: Well, we really feel that
8 everybody has a role to play, everybody has a
9 responsibility, including the municipality, who up till
10 now has been having to handle these materials and the full
11 cost of it themselves. And so this is our attempt to
12 relieve you of most of those costs.

13 DTSC DIRECTOR LOWRY: I see.

14 SENATOR SHER: Well, let me follow up on that.

15 If the normal waste collection system would pick
16 up these units when the consumer's finished with them,
17 would H-P support bearing the costs -- H-P bearing the
18 costs of a collection site convenient to those collectors
19 where they could leave these things without charge, and
20 then from then on the cost would be on H-P? In other
21 words you would underwrite the actual costs of the
22 appropriate recycling and disposal once you received them,
23 you would also underwrite the costs either individually or
24 in cooperation with other manufacturers to have convenient
25 sites in Los Angeles, San Francisco, in the valley, and so

1 where the municipal collection facility could leave these
2 without costs to them?

3 MS. ST. DENIS: The would be the plan we would
4 like to put in place, yes. And, again, the specific
5 implementation guidelines of course would take a lot of
6 negotiation. But our feeling is that if these things get
7 to what I would consider a large consolidation site, we
8 could --

9 SENATOR SHER: You would underwrite the costs of
10 the large collection sites?

11 MS. ST. DENIS: Yes.

12 SENATOR SHER: Okay. Well, we're going to hear
13 this afternoon from the waste haulers who are going to
14 tell us how much that would impose on them to get them to
15 that point. But these would be not just -- they wouldn't
16 all have to bear the costs of trucking them to Roseville;
17 they would be in these centers -- convenience centers, the
18 costs which would be underwritten by the manufacturers.
19 That's H-P's proposal?

20 MS. ST. DENIS: At least partially, yes.

21 Now, one of the things that we want to ensure is
22 that any cost that we're responsible for are costs that we
23 can control, that we have the flexibility to devise
24 systems that can reduce the costs and keep the costs
25 manageable. So what we want to avoid is a system where we

1 are responsible for somebody else's costs and expected to
2 just pay whatever it is they charge. We would want to
3 have input into how those costs are structured.

4 CIWMB BOARD MEMBER PAPARIAN: We're ready to move
5 on?

6 Okay. Mr. Young.

7 MR. YOUNG: Thank you, Mr. Chairman, Members.

8 Sort of feel like this is the Groundhog Day of
9 recycling since it kind of harkens back to the '80's when
10 Byron and I were colleagues in the Assembly and listened
11 to manufacturers and indeed retailers making some of the
12 same arguments, and also talking about the public not
13 accepting the cost or the process of recycling. I mean a
14 lot's changed. I mean Byron and I are older and Mark
15 Murray doesn't have a ponytail anymore.

16 But in truth the public acceptance -- as we look
17 at the programs that are in place, the public has embraced
18 those. It was what, two years ago when we did a major
19 expansion of the bottle bill. And the manufacturers,
20 indeed, if we would have had a hearing room like this,
21 would have made some of same complaints about that people
22 won't buy our products, people won't recycle them, there
23 will be revolt at the cash register. There has not been
24 any -- I mean as I always say in our fight, the buck does
25 stop at the our cash register and the public accepts it.

1 It's a fee. They -- you know, like others, I'm
2 disappointed that more of the containers aren't recycled,
3 per se. But certainly -- we're still doing over 60
4 percent of them.

5 And also our retailers charge fees for disposal
6 of tires and batteries. And there's not one consumer
7 complaint. They accept that.

8 And even going further than that, some of our
9 retailers, actually if you buy a washer or drier, say,
10 "We'll take your old washer and drier away, but we'll
11 charge a fee for it." Now, it's a choice, but believe me,
12 what my understanding is from our members and who are
13 major retailers, that most consumers will pay the fee, and
14 in some cases it's \$100 to haul away a washer and drier,
15 just to be able to recycle it.

16 So, again, this idea that the consumers revolt
17 about that -- they understand these are items that need to
18 be disposed of and it's not something that you can put out
19 by your street corner.

20 And I also think -- as we look at the European
21 model, I frankly think we're looking too far offshore,
22 that the California programs that are in place today I
23 think are models. And I would indeed argue an
24 infrastructure's already in place.

25 I know when I talked to Senator Sher about this

1 last year, I reminded him -- You know, we can talk about
2 having a center in Roseville. So I'm a consumer. I've
3 got a choice. Do I dump this CRT in my trash can, roll it
4 down to the curb and put waste on top of it or do I drive
5 out to Roseville? Easy choice for me. And I think what
6 we've got to do is not only have things in their
7 neighborhoods, but also I frankly believe we have to
8 incentivize consumers to return them. And by incentivize
9 them, I mean we do that with the beverage containers.
10 Now, again it's pennies. But certainly if a consumer
11 understood whatever fee they pay, a portion of that would
12 be returned to them if they recycled it, and certainly
13 from a business standpoint if you multiply that by
14 hundreds, I mean we're talking significant dollars. So I
15 think you have to give -- you can set up all the recycling
16 centers you want. You have to give consumers an
17 alternative, especially for some of those small disposable
18 items.

19 From the retail standpoint I mean we believe
20 that, you know -- I guess the strongest motivation and one
21 that ultimately resulted in the birth of the bottle
22 program was no retailer take-back. I mean we believe we
23 sell products. We certainly believe we're not in the
24 best -- we're not the ones to also recycle it.

25 But when I mentioned the infrastructure we've

1 created, it's not just the curbside. There's also the
2 convenience zones that are literally in every supermarket
3 or, you know, virtually every supermarket parking lot
4 around this state in convenient locations. And we
5 actually think that those are in place and should and can
6 be used as centers for electronic waste recycling. But,
7 again, you've got to find even, you know, motivation for
8 the consumer to be able to want to take them down to their
9 Albertson's or Ralph's versus just putting them into the
10 container.

11 We do feel that fees should be uniform. I know
12 last year's legislation, around every corner and under
13 every bed was Donald Dell. I mean I frankly -- I have a
14 friend who's a senior executive there who actually
15 believes that if this was the law, and certainly a
16 disincentive to the state, that Dell would participate.
17 And I think -- you know, at some point I believe that the
18 Governor called Donald Dell and had a conversation with
19 him. And I think we've got to do something, because every
20 time this bill's going to come up, the whispers are going
21 to be "Dell won't charge it." Well, you know, this
22 gorilla out there that dominates this market place. But I
23 think to presume they won't participate is -- I think it's
24 a self-fulfilling prophecy.

25 And I also think that manufacturers have to have

1 a role. And I think -- you know, as I said, I want to
2 keep looking back to a program that works. I mean the
3 beverage container manufacturers have a processing fee,
4 and a processing fee that's built upon the level of
5 recycling. Now, they complain that, you know, it's too
6 high and that consumers, again, won't buy their product.
7 But, you know, 15 years later the product continues to be
8 consumed. And we've yet to see it be a disincentive to
9 consumers to buy the products.

10 And one of the things is a concern about local
11 fees on top of state fees. I do think that's something --
12 if there is a uniform fee that's charged, there should be
13 some examination of what local fees would be added on
14 that, if any.

15 However, I really believe that -- we keep
16 focusing on CRT's for computers. But I think the next
17 generation, as people now -- as large screen television
18 sets become more affordable and the more the public gets
19 them, soon I mean within the next for or five years as
20 that generation of products become obsolete, the
21 consumer's going to be in this quandary about what do you
22 do. You certainly can't put that into a refuse container.
23 Perhaps, again, if there was a fee -- and the fee that
24 could be charged to put that at your curbside and have the
25 local waste company collect it with some kind of added

1 fee -- I mean we actually believe that whatever is charged
2 should fit the cost of disposal. So that to dispose of a
3 15-inch monitor shouldn't be the same as disposing of a
4 60-inch big screen TV. But there should be a place for
5 and within this structure to dispose of both.

6 And, again, I guess we could talk about this
7 hybrid of manufacturers' programs. But, truthfully,
8 again, is we need a network, we need something that's
9 convenient. An even with that, we need a way to give
10 consumers some motivation for doing that.

11 And in closing, I will just say, as I tried to
12 remind the manufacturers last year in their opposition to
13 this, that this is deja vu in the sense of the bottle
14 manufacturer, the retailers vigorously opposed --
15 Assemblyman then -- Assemblyman Sher and Assemblyman
16 Margolin's effort to do a refuse container program until
17 the threat of it coming back into the stores. And that
18 point the consumers and the retailers and others actually
19 put together the program that we have in place. And
20 again, which I submit, works.

21 And if some point -- as part of that European
22 model where it talks about bringing it back to the
23 retailer, if it gets to that point, I think the retailers
24 will become even more vigorous and put, you know, even
25 more pressure on the manufacturers about we need to

1 develop a program, and that the consumers again -- you
2 know, let them decide as far as the fees as long as
3 they're uniform.

4 So that's from the retail standpoint my thoughts.

5 CIWMB BOARD MEMBER PAPARIAN: Thank you very
6 much.

7 Questions?

8 DTSC DIRECTOR LOWRY: One quick question so we
9 get to Ms. Bowman.

10 I understand what you're saying then is that the
11 retailers at least in your organization do not object with
12 being tasked with collecting whatever the fee would be?

13 MR. YOUNG: We do object, right.

14 DTSC DIRECTOR LOWRY: So how is it done then?

15 MR. YOUNG: Well, you know, that's why I kept
16 pointing to programs that are already in place, such as
17 the bottle program where there's already --

18 DTSC DIRECTOR LOWRY: I think we're
19 misunderstanding each other.

20 MR. YOUNG: Sorry.

21 DTSC DIRECTOR LOWRY: Bottle bill you do collect
22 2 cents per container --

23 MR. YOUNG: Oh, collect the fee. Oh, no. In
24 fact we think we're the best place to do that. And I
25 mean -- and at the time, I mean, you know, if you start

1 this program -- and again we harken back, we've got 15
2 years of history of this -- I mean the consumer needs to
3 understand if there's any fee collected at the point of
4 sale, that here's what the fee's for, here's what it's
5 going to be used for, here's how you recycle your product.
6 And as I said, we would argue that if you charge the
7 consumer a fee, you give them an opportunity to get it
8 back -- a portion of it back, and, you know, and make sure
9 that's some incentive for them not to put it in their
10 waste can.

11 So we have no objection. We do it on tires,
12 batteries, and other products. We collect a disposal fee
13 and at the cash register.

14 Sorry, I didn't make that clear.

15 DTSC DIRECTOR LOWRY: Thank you.

16 CIWMB BOARD MEMBER PAPARIAN: Okay. Thank you.

17 Heather Bowman.

18 MS. BOWMAN: Thanks, Mike. And thank you for
19 inviting me to be on the panel today. I appreciate it.

20 And just so that those who are unaware, I
21 represent the Electronic Industries Alliance. I'm the
22 Director of Environmental Affairs there. And we represent
23 over twenty-three hundred member companies that belong to
24 six different associations, including the Consumer
25 Electronics Association, of which Sony and H-P are

1 members. So it's always a pleasure to be on a panel with
2 our members who are out there and leading the way for
3 other manufacturers.

4 Now, what I do have to say in representing all of
5 these companies is that we represent a huge sector of the
6 economy. And there are different business models and
7 there are different pressures on those different companies
8 that we represent. H-P and Sony have outlined one of the
9 things that all of those companies do agree on, which is
10 shared responsibility.

11 And in that shared responsibility, the other
12 thing that all of the manufacturers do agree on is that we
13 need to level out that playing field, so that all
14 manufacturers in all types of sales are included in
15 whatever solution it is that we come up with.

16 We believe that a national solution is the
17 appropriate solution to the electronics recycling issue.
18 However, we are committed and willing to work with
19 California to figure out how something that is developed
20 here in California can work with that national framework.

21 As Mike said, we have been working in the
22 National Electronic Product Stewardship Initiative and
23 we're very optimistic that we'll be able to come up with
24 something in that dialogue that will be implementable on a
25 national basis.

1 So my recommendation is that anything that
2 California comes up with through this process and in the
3 next legislative year should work in with that national
4 framework, so that California can play a role in a larger
5 solution.

6 One of the things that has been brought up today
7 is the Dell issue, as it was termed last year. This is
8 not just a Dell issue. And it's an interstate commerce
9 issue. And as Mr. Lowry and Senator Sher duly noted, this
10 is an issue that we need to deal with. And that's one of
11 the things that the WEEE directive was not designed to
12 address. The WEEE directive was not designed for any
13 individual U.S. state to implement. And we need to
14 recognize that we need to look at what the WEEE directive
15 is, take the lessons that are learned from that directive,
16 and do what the member countries in Europe will be doing,
17 taking some time to figure out how that broad directive
18 can be implemented in a sustainable way.

19 Now what I mean by that is, let's look at what
20 has already been done in the Belgium model, the Dutch
21 model, whatever model it is that has actually been
22 implemented, and figure out what works and what doesn't
23 work.

24 The Dutch model, for instance, was brought up on
25 antitrust violations. They needed to lower their fees.

1 And they didn't in an appropriate amount of time, so that
2 needed to be revised.

3 Let's take those lessons learned and figure out
4 what it is that can work in California, what the needs are
5 of California, and figure out what the financing is that
6 needs to be done, where companies like Sony an H-P are
7 willing to take their share of responsibility of this and
8 define that. We need to allow the flexibility for
9 companies who are willing to do that out of their
10 responsibility to the environment and to their consumers
11 can play that role.

12 So flexibility, leveling out the playing field,
13 and giving us time are three of the things that I think we
14 need to do here in California. EIA is willing to be a
15 part of the solution. But we need to be a part of a
16 sustainable solution for it to be something that can work
17 with a national framework. This is not something that is
18 just a California issue. Governor Davis in his veto
19 message acknowledged that, that this is a national
20 solution where California needs to play a role.

21 Rapidly devising a solution is not the proper way
22 to do this. We need to give it time and we need to all
23 work together -- the retailers, industry, municipalities,
24 and consumers. We need to figure out what consumers are
25 willing to do.

1 That's I think what Mr. Young was referring to as
2 giving them incentives. Well, we need to figure out what
3 that incentive is that they need.

4 And Mr. Lowry through the DTSC regulations has
5 imposed one of the biggest incentives, which is they can't
6 do it, they can't throw them out. So we need to figure
7 out how to incentivize them to actually do what DTSC has
8 asked them to do, which is recycle them.

9 So we need to work with consumers.

10 We also need to work with retail to figure out
11 how we can work together. The one thing that I've learned
12 working for this industry is that manufacturers are not
13 the direct connection with most consumers. Whether it's
14 the TV companies or the IT companies, most of those sales
15 are done through retail. So we need to work together to
16 figure out what makes sense, what makes sense for
17 consumers, what makes sense retail, what makes sense for
18 manufacturers.

19 And then the last piece of that is government.
20 We need to figure out what makes sense for government. We
21 have a shared responsibility. Mr. Lowry asked, "Why?"
22 Well, this is a traditional public service that has been
23 given to the municipalities that they need to accept.
24 This is one of the things that consumers -- our consumers
25 and your residents are demanding, is public service of

1 public health and safety, which is keeping these out of
2 landfills and making sure that we can work together to
3 figure out a way to do this in a responsible way.

4 And I agree with you, we need to make sure,
5 Secretary Hickox, that these do not end up in rivers and
6 streams in China. However, we need to figure out how to
7 do this in a way that doesn't just ban exports, because
8 exporting is actually where a lot of the markets for
9 recycled materials are, which Doug said we need to close
10 that loop. Much of the manufacturing actually happens
11 overseas. So we need to make sure that whatever we do
12 allows for export to responsible recyclers so we can close
13 that loop.

14 We also need to create markets for recycled
15 materials that will not be recycled in an improper way
16 overseas. So we need to look at ways to create markets
17 for recycled materials here in the U.S. And I think that
18 that gets to the question regarding design. How do we
19 design products so that they can be recycled? And reuse
20 can be a part of that. It's going to happen. It
21 definitely works. But we need to look at the recycling
22 aspect of it, because ultimately these products will need
23 to be recycled.

24 Those are the things that we are willing to work
25 with California on. We're willing to and we will be

1 submitting comments on the procurement guidelines. We
2 think that that's the best way for California to show that
3 that's what you're going to demand. And procurement is
4 really what this is about. Consumers have to demand it
5 for manufacturers to do it. And that's really the bottom
6 line. And if California demands something, you will be
7 choosing what it is that you want. And that's really
8 bottom line.

9 So we need to work together to figure out what
10 makes sense, what's reasonable, and what's technologically
11 feasible. We need to work together because that's the
12 only way that it's going to actually happen.

13 So my commitment is we're here to work, we're
14 here to work together. This is a complex issue. I think
15 just based on the questions that you've all asked Renee
16 and Doug and Mr. Young, this is a complex issue that can't
17 be solved overnight. We need to give it the time it
18 deserves and we need to give ourselves the respect that we
19 deserve to give ourselves the time that it takes to create
20 something that is sustainable.

21 Thank you.

22 CIWMB BOARD MEMBER PAPARIAN: Hold on just a
23 second.

24 SENATOR SHER: Well, I'm going to be blunt. In
25 your statement I think you must have used the phrase, "We

1 need to figure out" 15 or 20 times, "All the things we
2 need to figure out, it can't be done overnight." We've
3 worked on this now in California not overnight, but
4 through a full year or more of where we started out
5 working with all of the interested parties. I remember
6 the conference calls. I see my friends from Apple
7 Computer are out in the audience and H-P were on those
8 conference calls. And we did try to figure out.

9 And your statement to me translates into
10 California shouldn't do anything legislatively on this
11 this year, this upcoming legislative year, because we need
12 to figure out all of these things. We think we have
13 figured it out. We think the problem has been well
14 documented.

15 And so am I right that what you're telling us is
16 that EIA in 2003 will oppose legislation, California
17 legislation that puts a mandate on manufacturers to
18 participate in a program that will permit appropriate
19 collection and recycling of these materials? Will EIA
20 oppose legislation?

21 MS. BOWMAN: Senator Sher, it's always hard for
22 me to say what EIA will oppose when I don't have something
23 in writing that I'm actually commenting on. What we are
24 committed to doing is --

25 SENATOR SHER: Well, how about, let's talk about

1 what H-P today had said, that they will support --

2 MS. BOWMAN: And those are individual member
3 companies and I support what they do. And what I have to
4 do is I need --

5 SENATOR SHER: Is EIA required, EIA as an
6 organization, to oppose any legislation that any member of
7 its organization is opposed to?

8 MS. BOWMAN: It works from a member-driven
9 process that seeks to find what the industry as a whole
10 can accept.

11 Now, there's always outliers. There's those that
12 want to be in front, like Sony and H-P and there are those
13 which I guess Ted Smith, who you'll hear from later, would
14 say is a lagger. However, we try to figure out what makes
15 sense for industry.

16 And if you propose legislation, we'll certainly
17 comment on it. And what I'm saying here today is that we
18 want to be a part of creating a sustainable solution. And
19 we hope that California can take a step in that direction.

20 You said that you've been working on this for a
21 year, Senator Sher. The WEEE directive took over five
22 years to even develop. And that's a directive. Now, the
23 member country states have over -- have 18 months to
24 implement legislation that would be the WEEE directive
25 implementation legislation. We need to give ourselves the

1 same time and respect in how to do that. If that's what
2 California wants to do is implement the WEEE directive,
3 which was designed for the European Union, I think we need
4 to --

5 SENATOR SHER: Well, that isn't what -- no, we're
6 not talking about that.

7 MS. BOWMAN: Well, what you just outlined,
8 Senator Sher, in all due respect, is what the WEEE
9 directive is. I think that we can learn from what is
10 happening in Europe and apply that to the United States.
11 As you know, there are legal constraints here that are not
12 in Europe. We have geographic differences. We have
13 cultural differences. Our consumers are probably willing
14 to do different things and our not willing to do some
15 things that the European consumers and residents are
16 willing to do.

17 I think we need to examine that and we need to
18 look at the geographical differences before we adopt
19 something that was designed for a completely different
20 country.

21 SENATOR SHER: I think you underestimate what
22 California consumers are willing to do --

23 MS. BOWMAN: I hope I do.

24 SENATOR SHER: -- and support. You know, they
25 have demonstrated that, as Mr. Young has pointed out,

1 through their widespread support of California's bottle
2 bill with the processing fee, which is manufacturer
3 responsibility. They've demonstrated it through the
4 support of the fees collected for the appropriate
5 collection and recycling of used tires, of motor oil --
6 used motor oil.

7 So we have a long history in California. This is
8 not that different. But what I hear you saying is that
9 this is not ripe yet for legislative action in California.

10 And I expect -- am I wrong that we're likely to
11 hear that this is a national problem and wait to see what
12 NEPSI is going to propose?

13 Can you tell us -- Mr. Paparian referred in his
14 opening remarks to a meeting that was held recently and
15 that progress was made. Can you tell us what kind of
16 national proposal you expect to come out of the NEPSI
17 discussions and when that is likely to be presented and
18 when Congress will act on it?

19 MS. BOWMAN: You know, I can't guarantee any of
20 that. I can't. The make up of the Congress and how
21 people will react to what happens, I can't do that. So if
22 I take your questions in a backwards order, Congress -- I
23 cannot guarantee a thing that would happen in Capitol
24 Hill.

25 SENATOR SHER: If you can't do that, then am I

1 wrong in saying that it should not be used as an excuse
2 for opposing an attempt by California to try to deal with
3 the problem in California?

4 MS. BOWMAN: I'm not using it as an excuse. I'm
5 using it -- and I'm not using it. I'm just stating a fact
6 that this is a national issue. The WEEE directive lays
7 out a basis for directing the member countries of Europe
8 to look at this from a national perspective. I think we
9 should do the same here in the United States. I'm not
10 saying that California shouldn't try to create a solution
11 that makes sense for your residents. I'm just not
12 convinced that a piecemeal approach is the best approach
13 for the United States.

14 And I think that whatever California does should
15 look to the work that Mike has done and Peggy and various
16 other representatives that are actually located here in
17 California have done in that national approach, to take
18 the lessons that have been learned. A lot of the
19 questions that were posed to Ms. St. Denis are questions
20 that we have been grappling with. I think the lesson that
21 has been learned is that this is a complex issue, that the
22 United States is different, we're not Europe, and that we
23 need to figure out what works and what consumers are
24 willing to do.

25 So am I going to oppose legislation? Senator

1 Sher, respectfully, I'd have to see what the legislation
2 is. My members surprise me every day with what they're
3 willing to do and what they can do. I think we were
4 getting close last year. Unfortunately due to the
5 legislative schedule and what happened in the end, we had
6 to continue to oppose because we were not part of the last
7 five days of that process. And we did not have public
8 comment in those last five days, so we were not part of
9 that process. Possibly individual member companies of EIA
10 were involved. But the larger industry cannot support
11 something that's done in a haste. And a rapid
12 dissemination of a solution is not a sustainable solution.

13 SENATOR SHER: Those are all to me kind of
14 reasons to -- looking for reasons to oppose it. This was
15 something that -- legislation that had been talked about,
16 carefully considered, worked through the committees for a
17 year. It's true, as in any legislative effort, there are
18 amendments that occur, you know, throughout the process up
19 to and including the last stages.

20 All I can say to you and to the EIA is there are
21 now major companies in California that recognize that a
22 failure to address this problem is giving them a black
23 eye. The report you'll hear later from Silicon Valley
24 Toxic Coalition, and they were coauthor of the report,
25 documenting where these units are ending up and how we're

1 exporting our pollution to other countries.

2 Some very important constituents of mine in my
3 district, Hewlett-Packard in Palo Alto, the Corporate
4 Headquarters; Apple Computer in Cupertino; both in my
5 district, as well as others. IBM and others all have a
6 presence in my district. Every legislator who represents
7 the greater Silicon Valley area voted for the legislation
8 last year. This is a recognition that -- who better than
9 us to know what our constituents, including our
10 constituent companies but also the voting constituents,
11 the individual, want to see this problem solved.

12 I believe -- and I don't want to lecture you, but
13 I am, that EIA ought to get the message and ought not to
14 keep raising excuses about, you know, need to figure out,
15 let's do it on a national basis, let's wait till NEPSI
16 acts, let's not jump the gun on what the European Union is
17 doing.

18 I say there ought to be one other message you
19 ought to add to that: "We can get it done. Let's work
20 together and get it done next year in California."

21 MS. BOWMAN: Well, Senator Sher, I hope that you
22 are taking that away from my comments because we are
23 committed to working with California on a sustainable
24 solution that can work with that national framework. And
25 that is my message that I am here today to send to you,

1 that we're here, we're willing to work with you. But we
2 think that we need to work together on a shared
3 responsibility model, and we need to have all the
4 constituents part of that solution.

5 SENATOR SHER: If we wait for a national
6 solution, we'll be waiting five years, ten years. We
7 don't need to --

8 MS. BOWMAN: I'm not asking California to wait
9 for a national solution. I am --

10 SENATOR SHER: In California we don't wait for
11 the national solution. We're going to get it done this
12 year in California.

13 MS. BOWMAN: That message has been received loud
14 and clear by me as well as a lot of others in Washington
15 DC. However, what I'm saying is that whatever California
16 does move forward with needs to work with the national
17 solution and needs to be a part of that.

18 CIWMB BOARD MEMBER PAPARIAN: Let me shift the
19 questioning just slightly here.

20 If you look at the WEEE directive, that's an EUI
21 directive. Yes, it hasn't been implemented fully yet.
22 But the member states of the EU have had individual
23 systems in place. Heather referred I think the Dutch
24 system, the Swiss system, and the Belgium system. Several
25 other countries in Europe have systems. And there's some

1 commonality to the systems that are in place in most of
2 those countries. The consumer has an opportunity to take
3 back their electronics at no cost to them. Typically the
4 companies share responsibility for what's known as
5 orphaned and historic ways as well as a proportionate
6 share of their current waste stream. And typically
7 there's a third-party organization, a nongovernmental
8 entity that oversees the program in some way.

9 The countries that have this sort of system in
10 place, many of them are actually much smaller than
11 California. And I think that certainly with Sony and H-P,
12 from what I understand, you have a presence in virtually
13 all the countries where these systems are in place. And I
14 suspect many of, Heather, your members also have a lot of
15 presence there. And certainly there are retailers, no
16 doubt, in all of those places.

17 Any thoughts on how that general framework --
18 does that general framework work in California? What kind
19 of works and what doesn't work in that kind of a framework
20 that's already in place in some of those countries?

21 MR. YOUNG: Well, let me take a first stab at it.
22 You know, as much as I said that retailers here in America
23 have an opposition to taking products back in their
24 stores, one of the major retailers in England, actually
25 that's one of their marketing proposals, "Bring back your

1 used CRT. We'll take it back.".

2 But, I think one of the things -- I would just --
3 those other countries, do they have the same, you know,
4 weekly alternative for disposing of their products, I
5 guess -- my understanding is that they don't have in
6 essence a curbside collection process as we do, so that,
7 you know -- and there is not an easy alternative to, you
8 know, just throw it into some can. I mean -- so that's
9 one of the things I think again when trying to compare the
10 European program, it's well and good, and I do think that
11 here in California, and I think the local governments and
12 waste haulers will testify, I'm sure, that when they get
13 to their MERF's they'll find these CRT's just, you know,
14 dumping out of their trucks. And which is why whatever
15 fees, whether if paid by the consumer or manufacturer or
16 both, needs to cover the cost from their standpoint of
17 collection too.

18 So, as I said, I'm not sure that that model is --
19 you know, that that would be appropriate in the sense
20 of do the consumer -- I mean these are too easy to dispose
21 of in California and put in the wastestream and end up
22 being local government's cost, which shouldn't be borne by
23 them.

24 CIWMB BOARD MEMBER PAPARIAN: Okay. Let me just
25 ask for the electronics industry response to some of that,

1 but also let me just add to the question: Do any of the
2 countries' systems that you know of seem to work
3 particularly well in the way the third-party organization
4 works and the way the system works? Any of them that we
5 should pay particular attention to in the coming months?

6 MS. ST. DENIS: So I would suggest that we
7 collectively study much more each of the systems in place.
8 Again, whenever we talk about the system in Europe, there
9 is no such thing. Each of the five member states that
10 have implemented some kind of legislation to date and the
11 two that are pending, although they all call for
12 manufacturer responsibility and free take-back, three of
13 the five, a third-party organizations, the implementation
14 details of those things are widely different.

15 And what we see is that the costs vary from
16 system to system by as much as 8 to 10 times from one
17 country to another. So we really think -- and again this
18 is why we think participating in this dialogue, from H-P's
19 standpoint, is going to help because we have a lot of
20 experience in Europe -- there are good parts and bad parts
21 to each of those systems. And I would think that in
22 California we'd want to just take the best of everything
23 and craft that.

24 And so, yes, Mike, there are specific
25 differences, but it's hard to articulate them all right

1 now.

2 CIWMB BOARD MEMBER PAPARIAN: One of the things
3 that the Governor cited in his veto message is his desire
4 not to have a huge new state bureaucracy dealing with this
5 system.

6 The third-party organization, some of them are
7 leaner than others in Europe. From your experience,
8 anybody on the panel, do any of the particular countries'
9 third-party organizations seem to work better than the
10 others?

11 MS. BOWMAN: One of the things, Mike, that I
12 would say is that some of the third-party organizations
13 that have been set up, we haven't actually seen them
14 working yet.

15 In the Belgium system, I know in the NEPSI
16 dialogue we've been looking at. That system actually
17 hasn't been in place that long, so we're not sure if
18 that's going to work well or not.

19 The Sweeko system, which is Switzerland's model,
20 is something that works. And I think we can take some
21 lessons from that model because it is a lean system.
22 There are about three people that actually work for the
23 third-party organization and then they contract out.
24 However, if you look at Switzerland, it's a -- I think, as
25 you mentioned, it's smaller than California.

1 So we need to take into account that there are
2 those differences. And whether or not a third-party
3 organization specifically for California is what is needed
4 or whether we need something that harmonizes us on a more
5 national basis is something that I think we need to
6 explore. And whether or not that will help create those
7 economies of scale that are needed to make this something
8 that is reasonable. And what I mean by that, the costs
9 need to be kept down so that consumers will take advantage
10 of it and not rebel, as Mr. Young was saying, in higher
11 prices.

12 One of the things if you look at the European
13 marketplace, the cost of these products is much higher,
14 and for several reasons, socialistic societies and things
15 like that. So we need to figure out what does work. And
16 as Renee said, I would encourage all of us to work
17 together to figure out what we think works about those
18 systems.

19 MR. YOUNG: Mike, just a quick comment. I think
20 whatever we design, I think if there's anything -- looking
21 back on the beverage container, I wish we had fewer moving
22 parts. I mean it takes so much oversight to calculate,
23 you know, what the waste value is and -- I mean to do
24 that. So whatever we do in this, I would hope it could be
25 could be simple and straightforward. I think that in and

1 of itself would hold down administrative costs. For
2 whether it be a third party or -- I frankly think there's
3 already -- whether it be Integrated Waste or other
4 agencies, I mean certainly I think there are agencies in
5 place that perhaps could do this. Whatever it is, the
6 fewer moving parts, the better.

7 DTSC DIRECTOR LOWRY: I'd like to ask the
8 panelists what role they think government should play in
9 terms of government bureaucracies or lean systems or
10 whatever. What should the people in my department and Mr.
11 Paparian's organization do on the taxpayer dollar with
12 respect to how you think this problem ought to be
13 addressed?

14 Mr. Smith, you want to start?

15 MR. DOUG SMITH: Yeah, I haven't said whole lot.
16 But, you know, I'm reminded of Donald Sutherland in the
17 Kelly's Heroes movie. His line was, "Man, what's with all
18 the negative waves?"

19 (Laughter.)

20 MR. DOUG SMITH: And I don't see this as a
21 problem. I mean I think this is a good opportunity for
22 companies that have good environmental profiles and are
23 dedicated to improving the products to outperform our
24 competition. If we go with a flat system that's equal
25 across the board, what incentive do manufacturers have to

1 really go to that next step? Why are we substituting
2 lead-free solder for leaded solder now?

3 DTSC DIRECTOR LOWRY: Well, what can I do to help
4 you go further then?

5 I have a marvelous power; that's regulation of
6 hazardous waste and issuing regulations. I don't even
7 need his votes to do it.

8 What can I do to help you?

9 MR. DOUG SMITH: I think that if we look at a
10 system that's voluntarily, that's led by incentives, we
11 can come up with a model.

12 DTSC DIRECTOR LOWRY: What do you mean by
13 incentives? Your incentives or government incentives or
14 what?

15 MR. DOUG SMITH: Well, I think Senator Sher
16 touched on it earlier. Why not purchasing guidelines?
17 Why not procurement? Look at what the Energy Star was
18 able to do. You know, the Europeans talking about energy
19 standards for years. And overnight we have the Energy
20 Star logo. It's voluntary. Doesn't cost the government
21 hardly any money. And manufacturers get to sell a lot of
22 products to the federal government. And it was like
23 within a year I bet you 90 percent of all computer
24 products had low-energy-usage features to them.

25 It was voluntary and it was led by sales and

1 purchasing, not by this pushing system. If you push, it's
2 going to be -- you're going to meet with resistance. If
3 you pull it, it's going to happen easy. The materials are
4 reusable from the scrap. All we have to do is get a lot
5 of them in one spot, two spots. Well, we just have to get
6 truckload quantities to these facilities, they can process
7 them and return this stuff to market.

8 DTSC DIRECTOR LOWRY: Are you familiar with the
9 conditional exemptions from hazardous waste laws?

10 MR. DOUG SMITH: Yes, I'm familiar with it in
11 California and throughout the country.

12 DTSC DIRECTOR LOWRY: What if DTSC were to issue
13 regulations saying that you could put a sticker on your
14 computer or any other electronic product that says,
15 "Because Sony has agreed to take this product back" -- in
16 L.A., Downey, San Diego, San Francisco, work all that
17 out -- "Because Sony has agreed to take this back, this is
18 not hazardous waste, and you can take them back for free."
19 You're sticker says, "Sony will take this back for free."
20 And, by the way, it's not hazardous waste because we'll
21 take it back for free." Does that solve -- is that an
22 incentive which works for you?

23 MR. DOUG SMITH: It's back-end. Let's look at
24 the front-end where we sell the products. We'll take back
25 our products. We've had this policy in place for years.

1 In the State of Minnesota, any resident of Minnesota can
2 drop off their Sony product at several waste management
3 facilities throughout the country and it's no cost. They
4 charge for every other brand, but they don't charge for
5 Sonys. That's in Minnesota.

6 DTSC DIRECTOR LOWRY: Why don't you do it here?

7 MR. DOUG SMITH: We had permission from our
8 management to launch it statewide in Minnesota. And we're
9 working on them to take that to a national level. We're
10 just not there yet.

11 SENATOR SHER: So would it help you in that
12 effort if California did have a law that prohibited
13 government from purchasing products unless the
14 manufacturer of that product had a system in place for
15 no-cost convenient return by all consumers to the
16 manufacturer of their products? Do you think that's a
17 good approach for California?

18 MR. DOUG SMITH: We would be all over that.
19 That's fantastic.

20 SENATOR SHER: Meaning you'd be all over it in
21 support --

22 (Laughter.)

23 SENATOR SHER: -- or all over it in opposition?

24 MR. DOUG SMITH: The way I'm understanding it
25 right now, yes.

1 SENATOR SHER: Yes, in support?

2 MR. DOUG SMITH: Yes.

3 DTSC DIRECTOR LOWRY: How about Hewlett-Packard?

4 MS. ST. DENIS: Well, I'd like your deal also,
5 Ed. I know that Doug didn't want it, but we'll take it.

6 (Laughter.)

7 MS. ST. DENIS: But, yes, we would support
8 something like that.

9 And, again, you know, we feel like the proper
10 role for government in some of this activity is really
11 enforcing the laws that are in place. So should we decide
12 that manufacturers are going to be responsible, you can
13 play a role in finding ways to ensure compliance with
14 whatever those rules are.

15 DTSC DIRECTOR LOWRY: What about Apple? Apple's
16 in the room. Can they raise their hand and climb on board
17 too?

18 SENATOR SHER: Apple did support it. Apple was
19 in support of Senate Bill 1523 that had a -- well, it had
20 a provision in it to provide incentives through what
21 government could procure. I'm sure Apple will be there.

22 DTSC DIRECTOR LOWRY: Let me address a broader
23 question then or question which -- you know, I like what I
24 hear from Sony, what I hear indirectly from Apple, what I
25 hear from Hewlett-Packard.

1 Are you guys far out there as far as the rest of
2 the industry is concerned? Are you going to have 30,000
3 E-mails when you get back saying, "What the heck did you
4 guys say there?" Where is the industry with this?

5 MR. DOUG SMITH: Let me just say, the environment
6 performance doesn't sell a whole lot of products right
7 now.

8 If there was a purchasing guideline in place, it
9 would sell more products. And I think as you see an
10 incentive for companies to jump on board so they can sell
11 more products, just like with Energy Star, it will be
12 overnight.

13 MS. ST. DENIS: Can I ask a question?

14 DTSC DIRECTOR LOWRY: Sure.

15 MS. ST. DENIS: What other companies did you
16 invite?

17 DTSC DIRECTOR LOWRY: Have to talk to Mr.
18 Paparian.

19 CIWMB BOARD MEMBER PAPARIAN: We actually worked
20 through the trade associations to try to identify the
21 companies. I think -- I don't know if it's that you drew
22 the short straw or were more willing to be public with
23 what you had to say, but Sony and H-P were the two that
24 agreed to show up today.

25 MS. ST. DENIS: So I think a good way to gauge

1 that might be to have more individual companies engaged in
2 these dialogues one on one.

3 CIWMB BOARD MEMBER PAPARIAN: Okay. Any other
4 questions for this panel?

5 This panel did go on a little bit longer than we
6 anticipated, but I think it was very worthwhile. I
7 appreciate all of you coming forward and making your
8 presentations and being forthright in your answers to our
9 questions.

10 We're going to need to take a break for the court
11 reporter. I'm going to say five minutes, recognizing that
12 some people kind of straggle in sometimes after a break.
13 But let's try to be back here in five minutes for our next
14 panel, which will be the environmental panel. Thank you.

15 (Thereupon a recess was taken.)

16 CIWMB BOARD MEMBER PAPARIAN: Okay. We're going
17 to go ahead and get started with the next panel, the
18 environmental panel.

19 We have several representatives: Bill Magavern
20 from the Sierra Club; Mark Murray from Californians
21 Against Waste; Ted Smith from the Silicon Valley Toxics
22 Coalition; and I believe -- and here she is -- Sheila
23 Davis from the Materials for the Future Foundation.

24 I think, Mark, you're going to coordinate,
25 introduce people?

1 Great.

2 MR. MURRAY: Thank you, Mr. Paparian. Thank you
3 for the opportunity to be here today. It's already been
4 an educational experience.

5 We've coordinated our testimony to hopefully have
6 it go more efficiently. We're going to get to all of the
7 questions that you had. But we might not -- each person
8 has something that they want to actually focus on. So
9 we'll just start off with Bill Magavern from the Sierra
10 Club.

11 MR. MAGAVERN: Good morning. Thanks for inviting
12 me here to talk about this very important issue. And the
13 issue is important to us because of the threat to
14 California's public health and environment that is posed
15 by toxic electronic waste from obsolete electronics.

16 Sierra Club was a strong supporter of Senator
17 Sher's bill and Senator Romero's bill in this past
18 legislative year. So we're obviously disappointed that
19 those measures were vetoed by Governor Davis.

20 But some vetoes are like a door slamming on you.
21 This veto message was more like a door opening up. And we
22 actually found the veto message to be encouraging in a
23 number of ways.

24 The Governor recognized without question the
25 problem. And he called for a legislative solution in the

1 next year.

2 He also in his veto message heralded the product
3 stewardship approach. And also suggested that what we
4 ought to do is to set environmental standards and provide
5 manufacturers flexibility to meet them.

6 So we have our mandate from the Governor. And we
7 plan to be very involved in trying to meet those goals.
8 This will be a high priority for Sierra Club in the coming
9 year. And we want to work with the administration and the
10 legislature.

11 We think that in order to protect public health
12 and our environment without unfairly burdening the
13 taxpayers, California must demand that the producers of
14 consumer electronics take responsibility for reducing the
15 environmental hazards caused by their products. That's
16 what the Governor called for, and we plan to hold him to
17 it and challenge the other parties involved to meet that
18 promise.

19 We haven't talked much this morning about the
20 problem, so I want to briefly outline it.

21 Electronic waste already represents two to three
22 percent of the municipal solid wastestream, and it's
23 growing. Nationally an estimated five to seven million
24 tons of computers, televisions, cell phones, and other
25 electronic devices become obsolete every year.

1 In California it's estimated that more than
2 10,000 computers and TV's become obsolete every day.

3 Only about 5 to 15 percent of the cathode ray
4 tube products are currently recycled. The vast majority
5 are landfilled, which is illegal; disposed of illegally in
6 other ways; or simply stockpiled. As you know, last
7 December the Waste Management Board determined that
8 California households have stockpiled more than six
9 million obsolete CRT devices.

10 Computers, including the monitors with the
11 cathode ray tubes, are recyclable. But the cost of
12 collection, handling, dismantling, and processing for
13 recycling can range from \$10 to \$30 or more per unit. The
14 cost of properly disposing of old computers and
15 televisions as hazardous waste is even higher, ranging
16 from \$25 to \$50 dollars or more per unit.

17 Even if recycling levels were to double, the cost
18 of managing California's current output of obsolete CRT
19 scrap is likely to range from \$25 to \$42 million dollars
20 or more per year. And if we do nothing, this cost will be
21 borne by the taxpayers, which is not fair and also is
22 going to put an additional burden on what is already a big
23 budget deficit.

24 And, finally, what I think is probably the most
25 really shameful element of the problem, toxic scrap is

1 being exported to developing countries where groundwater's
2 being polluted, children are being exposed because the
3 materials are being taken apart by hand without much
4 protection.

5 By the way, when I refer to the components being
6 sent to landfills as being illegal, I meant the municipal
7 waste landfills. When they're sent to the hazardous waste
8 landfills, that of course is legal but also expensive.

9 The solution that we propose to California's
10 electronic waste problem would address the following
11 goals:

12 1) To reduce and aim to eliminate concentrations
13 of hazardous materials in electronic products.

14 2) To educate the public on the proper management
15 of obsolete electronic products that contain hazardous
16 materials.

17 3) Create incentives to increase the lifespan and
18 reusability of electronic products and components.

19 4) Create incentives to design electronic
20 products for increased component reuse and recycling.

21 5) To develop sustainable markets for reused and
22 recycled electronic product components.

23 And for these last three objectives I think that
24 the Government's role as purchaser can play a big role in
25 the solution.

1 6) To generate sufficient funds to offset the
2 cost of proper management of electronic scrap for
3 recycling and/or disposal.

4 7) To affirm the ban on the disposal of all
5 hazardous electronic scrap in municipal landfill facility.

6 8) To establish aggressive recovery and recycling
7 goals for hazardous electronic scrap. We suggest a goal
8 of, by 2006, 95 percent recovery of hazardous electronics,
9 which simply means achieving substantial compliance with
10 current law and precluding the illegal disposal of the
11 materials; and to have by 2006 a 50 percent recycling
12 target, arising to 75 percent by 2010 seems realistic and
13 achievable.

14 9) To acquire labeling of all hazardous
15 electronics to include a warning statement, a listing of
16 hazardous materials, and information on how and where to
17 recycle by, for example, providing an 800 number or a
18 website address. And

19 10) Require all manufacturers of hazardous
20 electronics to either establish a free and convenient
21 consumer take-back system approved by the Waste Board and
22 capable of achieving the recovery recycling goals or to
23 pay in advance recovery fee to offset the local and state
24 recovery and recycling costs, while also providing a
25 market signal to reduce hazardous materials and to design

1 for recycling.

2 A comprehensive E-waste measure should address
3 all the materials that are classified when discarded as
4 hazardous as defined by the Department of Toxic Substances
5 Control.

6 Some have proposed that we use a back-end fee as
7 a solution and simply impose some sort of garbage fee on
8 all households to fund a solution.

9 We think that this is really not the way to go.
10 It would be regressive because lower income households,
11 which are purchasing fewer of these products, would be
12 paying as much as those that are using far more electronic
13 devices; and it would undermine the entire concept of
14 producer responsibility, because what we need is a link
15 between the product, the manufacturer of the product, and
16 the eventual recovery and recycling of that product. And
17 to break that link would go against what the Governor has
18 asked for in terms of product stewardship.

19 Thanks. I'd be happy to any questions.

20 MR. TED SMITH: My name is Ted Smith. I'm with
21 the Silicon Valley Toxics Coalition. I want to --

22 CIWMB BOARD MEMBER PAPARIAN: Ted, is your
23 microphone on?

24 MR. TED SMITH: Now is that better?

25 CIWMB BOARD MEMBER PAPARIAN: Yeah. Pick it up

1 and point it toward yourself.

2 MR. TED SMITH: Ted Smith, Silicon Valley Toxics
3 Coalition.

4 I want to also thank the panel for organizing
5 this hearing today. I'm really glad that you're doing
6 this, because I also was very disappointed that the bills
7 and the hardware from last year did not get through.
8 Although I also was actually quite hardened by the veto
9 message. So I'm here with the intention of taking that
10 veto message and trying to help figure out how we can
11 develop even better legislation this year.

12 I have just a few comments I wanted to make this
13 morning. One is that -- as many of you know, for the last
14 20 years we've actually been working on the issues of the
15 environment in the electronics industry. We just
16 celebrated our 20th anniversary last weekend and had the
17 good fortune to be able to honor Byron Sher as one of the
18 real legislative heroes that has been focusing on these
19 issues for many, many years and has done a really good job
20 we think in terms of bringing attention to the issue of
21 electronic waste, which has been our major focus now for
22 the last several years.

23 I want to tell you some good news first of all.
24 I during the break dropped off a statement up there for
25 the panelists called the Joint Press Statement of

1 Industry, Consumer, Environmental Organizations on
2 Producer Responsibility in the Waste Electrical and
3 Electronic Equipment Directive.

4 This is a joint press statement from the industry
5 and the environmental NGO's in Europe. I was just
6 recently just last month at a forum in France, that was
7 cosponsored by ENSEEIHT, a graduate school of business,
8 and Haas School of Business at UC Berkeley, on the
9 implementation of the WEEE directive. And there were a
10 number of principal players involved in that workshop who
11 had just come through the last few details on implementing
12 the conciliation of the WEEE directive. So it was very
13 fresh in our minds. And what they told me was that they
14 had had very close working relationships between the
15 environmental NGO's and the industry, and that they had
16 come together over a particular issue that they think was
17 the real guts of the framework of the overall WEEE
18 directive. And I wanted to bring your attention to that.

19 The statement that they issued says in part,
20 "This statement refers to the responsibility of financing
21 the management of WEEE and for products sold in the
22 future. As regards all products sold in the past or
23 historical waste, both the Council and the European
24 Parliament have proposed that producers shall share the
25 cost of recycling." So they all agreed that for historic

1 waste shared responsibility was the way to go.

2 But in terms of future waste, the products that
3 are going to be coming onto the market in the future, this
4 is the key paragraph. It says, "The Parliament has
5 proposed that each producer would be required to provide
6 appropriate guarantees for the management of WEEE. This
7 establishes the necessarily legal instrument for proper
8 enforcement and addresses the issue of free riders. This
9 is essential to avoid placing unjustified burdens on
10 taxpayers and consumers."

11 So it's that key language there about individual
12 responsibility, looking forward into the future, which in
13 my mind is the essence of what we need to do here in
14 California to make this framework work.

15 And so they came together to support the proposal
16 of the European Parliament. And there was a big debate
17 between the Parliament and the Commission. And that was
18 the language that they ended up with.

19 I've also provided a second document which is
20 called the "Legislative Acts and Other Instruments."
21 "Subject: Directive on the European Parliament of the
22 Council on Waste Electrical and Electronic Equipment."
23 And I've just provided you the relevant language which is
24 found on page 6. And I just wanted to share this with you
25 and the audience.

1 Paragraph 20 says, "Users of electronic and
2 electrical equipment from private households should have
3 the possibility of returning WEEE at least free of
4 charge." Now, it would allow some incentives, but at
5 least free of charge, at no charge.

6 It goes on, "Producers should therefore finance
7 collection from collection facilities and the treatment,
8 recovery, and disposal of WEEE. In order to give maximum
9 effect to the concept of producer responsibility, each
10 producer should be responsible for financing the
11 management of waste from his own products. The producer
12 should be able to choose to fulfill this obligation either
13 individually or by joining a collective system."

14 So while it puts the individual responsibility on
15 the producer, it also allows producers to come together
16 into collective systems.

17 "The responsibility for financing of the
18 management of historic waste should be shared by all
19 existing producers in collective financing schemes to
20 which all producers existing on the market when the costs
21 occur contribute proportionately."

22 And then it go on and says, "For a traditional
23 period producers should be allowed to show users on a
24 voluntary basis at the time of sale of new products the
25 cost of collecting, treating, and disposing in an

1 environmentally sound way of historical waste. Producers
2 making use of this provision should ensure that the costs
3 mentioned represent to a maximum the actual costs
4 incurred."

5 Now, that is my understanding of the linchpin of
6 the agreement that they reached in Europe. And when you
7 look at the people who signed and the organizations that
8 signed this joint press release, you'll see that included
9 the American Electronics Association in Europe, the Japan
10 Business Council in Europe, the German Electrical and
11 Electronic Manufacturing Association, Agilent
12 Technologies, Apple Europe, Hewlett-Packard, Intel, Lucent
13 Technologies, Nokia, Sony, Sun Microsystem. All of those
14 companies -- individual companies, as you know, are either
15 based or have substantial dealings here in California.

16 So this is the kind of an agreement that they
17 came to agree on in Europe and I suggest is the essence of
18 the linchpin of the framework that we need to adopt here
19 in California. And the rest, in my mind, are details of
20 how we implement this.

21 DTSC DIRECTOR LOWRY: Ted, can I ask a question
22 about this press release?

23 MR. TED SMITH: Yes.

24 DTSC DIRECTOR LOWRY: Am I misreading the
25 transitional period sentence to say, "We the manufacturers

1 are not going to be responsible for any waste except from
2 the products we manufacture this day forward, and it will
3 just be voluntary and consumers can pay and we'll tell
4 them how much it's going to cost."?

5 MR. TED SMITH: No, it's they accept
6 responsibility for all future waste. And they would be
7 responsible either physically or financially for their
8 share of the waste on an individual basis.

9 So, for instance, H-P sells a million units in
10 California in the future. They're responsible for taking
11 back and responsibly recycling that one million units.
12 And they can exercise that responsibility whether it's a
13 million H-P units or \$500,000 H-P and 500,000 somebody
14 else's. But that's their share of the responsibility. It
15 can be, as I say, either physical or financial. And
16 that's the key in my mind.

17 DTSC DIRECTOR LOWRY: What's the import of this
18 transitional period sentence? I just don't understand.

19 MR. TED SMITH: Which sentence is that you're
20 looking at?

21 DTSC DIRECTOR LOWRY: Numbered paragraph 20, the
22 last sentence.

23 MR. TED SMITH: Okay.

24 DTSC DIRECTOR LOWRY: On the legislative acts and
25 other instruments.

1 MR. TED SMITH: That's to deal with historic
2 waste. And that's where they're saying it's collective
3 responsibility for the historic waste.

4 And so they do assume that there will be a
5 transition because there's a lot of old stuff out there.
6 It's going to take several years to get that out of the
7 households. So what they're saying is that there can be
8 two different systems really, one looking backwards
9 collectively, one looking forwards individually. That's
10 the key.

11 CIWMB BOARD MEMBER PAPARIAN: Maybe you should
12 just elaborate on that briefly. Imagine there are, you
13 know, some number of computers from manufacturers that are
14 no longer business. How --

15 MR. TED SMITH: Yeah. I mean I have an Osborne
16 Computer in my basement. Some day, if I can't sell it for
17 a million dollars, it may end up in the wastestream
18 someplace.

19 There's lots of those that -- we all remember
20 Atari's and all those kinds of things. That's historic
21 waste. There's nobody today in business that could be
22 individually responsible for that because those companies
23 have disappeared. So that's a collective responsibility
24 looking backward.

25 CIWMB BOARD MEMBER PAPARIAN: So by collective

1 responsibility who actually writes the -- who pays the
2 dollars for recycling of those items?

3 MR. TED SMITH: It's organized on a basis of
4 current market share. So that it can be implemented in a
5 variety of ways. It could be that all of the producers
6 could pay into a third party, and if H-P has 22 percent of
7 the market, they would pay 22 percent of the costs of
8 collecting and dealing with the old stuff.

9 There are some proposals that would actually
10 adjust the market share based on what was your market
11 share 10 years ago, because some of this material is 10 or
12 20 years old.

13 Again, I think that those are details that can be
14 worked out. I don't think that that's what this should
15 get hung up on. I think the concept is the most important
16 thing.

17 CIWMB BOARD MEMBER PAPARIAN: Let me just -- the
18 concept as I understand it is that current manufacturers
19 would pay for the historic waste as opposed to government
20 paying for the recycling of that?

21 MR. TED SMITH: Yes, exactly -- yeah.

22 The key to this in my mind is expressed in the
23 words of the European Environmental Bureau, which has been
24 the main environmental NGO working on this for many years
25 in Europe. And this is a quote from their Secretary

1 General. It says, "Making companies consider the
2 end-of-life implications of the design of their products
3 at the time they place the products on the market in the
4 future is a strong driver for eco-design in electrical and
5 electronic equipment." So, again, that individual
6 responsibility is the key to the driver for design change.
7 And if a company knows that they're going to have to be
8 responsible for taking back their product in the future,
9 you can be sure that those designs signals are going the
10 get sent back up where they need to be and that's going to
11 become part of the economic equation, where today often
12 times it just isn't.

13 DTSC DIRECTOR LOWRY: Is that part of terminating
14 shared responsibility at some point in this agreement then
15 for taking back?

16 MR. TED SMITH: I'm sorry. I didn't understand
17 that.

18 DTSC DIRECTOR LOWRY: I understand the system, as
19 you described it, Hewlett-Packard takes back their own and
20 Apple's as well.

21 If they have to take back the Apple's computers
22 no matter how Apple designs it, isn't that a disincentive?

23 MR. TED SMITH: Well, under the proposal in
24 Europe it would be individual responsibility. So H-P
25 would not be required to take back any Apples if they

1 didn't choose to. Apple is required to take back Apples
2 of future sales. So Apple is going to have to figure out
3 how to design their products to make it easier and cheaper
4 for them to recycle it once they collect them.

5 What it does allow for is if Apple can only take
6 back 50 percent of their computers, say, for the next
7 three years as they're wrapping up, H-P could agree to
8 take back some of those and get credit for that.

9 DTSC DIRECTOR LOWRY: And that's an agreement
10 that has to exist between Apple and H-P?

11 MR. TED SMITH: Yes, yes, exactly.

12 But, again, because the rules are set in this
13 framework, that then gives a clear guideline to the
14 companies about what is expected of them. And this is my
15 other key point.

16 For many, many years we've heard in Silicon
17 Valley from the electronics producers that they don't want
18 government micro-managing their affairs, their
19 environmental affairs or any other affairs. What they do
20 say and what we agree with is that they want government to
21 set the rules, the ground rules, the road map, and then
22 get out of the way and let the companies implement that in
23 a way that can be the best for them in terms of their own
24 business plan. And we actually think that makes sense,
25 that what we're expecting -- you asked what do we expect

1 from government? We expect government to set the ground
2 rules. They should be very clear. They should be I think
3 bold ground rules to set this kind of individual
4 responsibility.

5 And also the role of government I do think is to
6 enforce, because this question of the free riders and the
7 companies, you know, getting out from under the
8 requirements is a substantial issue, and I do think that
9 that's really important for government to play a strong
10 role in that.

11 I think that a flat advanced fee as the bills
12 last year ended up, it really doesn't provide this kind of
13 incentive. It's much more of a blunt instrument. And it
14 doesn't create the kind of responsibility that I think is
15 necessary. In fact it could tend to cut off that
16 responsibility. If consumers had to pay \$10 flat free at
17 the front end for everything, companies would then walk
18 away from that and they wouldn't have any further
19 responsibility. So I don't think that that's the right
20 way to go in terms of this framework.

21 However, I do think that in terms of a
22 transitional period it might make sense to include some
23 kind of a front-end fee, some kind of an advanced
24 recycling fee, as part of a hybrid scheme in order to help
25 take care of this historic waste. We're going to need

1 some money into the system. We're going to need to be
2 able to take care of this slug of stuff that's out there.

3 So maybe a transitional fee that could be
4 specifically designed to help do that, particularly with
5 the issues that you've heard about already this morning.
6 The collection costs, it's a big deal. Local governments
7 don't have the money to do that. So maybe there could be
8 some money put into the system to help do that.

9 And also you heard maybe their needs to be some
10 kind of incentive for the consumer to bring stuff back,
11 maybe not forever, but maybe for a transitional kind of a
12 period. So we do think that some kind of a hybrid in that
13 sense might make some sense.

14 Finally, let me just talk about the issue that
15 Secretary Hickox actually already stole my thunder on. I
16 also brought my favorite daily paper, the San Jose Mercury
17 News. And it says it much better than I --

18 CIWMB BOARD MEMBER PAPARIAN: You're supposed to
19 tell him it's not your favorite daily paper.

20 MR. TED SMITH: Oh, it's not my favorite daily.
21 I really like the Sacramento bee.

22 (Laughter.)

23 MR. TED SMITH: I actually like the San Jose
24 Metro if you want to know the truth.

25 But the point is -- this says it much better than

1 I could. I think you're familiar with it. I hope maybe
2 you've seen the video called "Exporting Harm." It's
3 tremendously powerful stuff. What this newspaper article
4 does is basically to backup everything that was in the
5 report that we did earlier this year with the Basel Action
6 Network. And to find that these practices are still going
7 on. What they're finding is that as long as this is legal
8 and as long as it is cheaper than recycling things
9 appropriately, this is going to continue, the hazardous
10 waste is going to continue to flow downhill to the
11 countries that can least afford the environmental
12 protections that they need. And the hazards and the
13 devastation that we found in our report is just confirmed
14 in the San Jose Mercury expose.

15 And I know as much as we sit here today that this
16 is going to continue unless we cut this off at the source.
17 And the source, in my opinion, is that we can make a great
18 step forward, since the federal government is completely
19 derelict in their duty, to put into the legislation this
20 year some language that was similar to what was inserted
21 last year, which is simply to say that in the State of
22 California if you are going to have an approved plan, say,
23 for exercising your individual responsibility, you have to
24 make sure that your waste is not going to be -- at least
25 the hazardous part of your waste is not going to be

1 exported to the poor countries of the world. And that's I
2 think something that we can do legislatively here in
3 California. It would have to be enforced. But I think
4 that that's also possible to do.

5 But I do think that we can send a strong message,
6 not only to the United States Government, but to China,
7 India and Pakistan and other countries around the world
8 that are right now suffering the consequences of the
9 consumer behavior here in the U.S, where we -- again the
10 estimates are 50 to 80 percent of all E waste generated in
11 the U.S. is currently ending up on these container ships
12 being shipped to Asia where it's being burned, it's being
13 trashed, it's being dumped into the rivers, and it's
14 causing a great health hazard.

15 So I would strongly encourage and would hope that
16 whatever happens in this legislation does include some
17 strong language on export.

18 And then -- I'm sorry. There was one other
19 point. We have developed through our computer take-back
20 campaign, which is a national campaign, what we call our
21 recycler's pledge. And we're dealing with high-end
22 recyclers who are agreeing that they will not export, that
23 they will not use prison labor, that they will use the
24 highest standards for using recycling facilities and
25 recycling techniques that meet their environmental

1 responsibilities. There's a number of recyclers that have
2 already signed this all around the country. We're going
3 to go public with that fairly soon in the future.

4 And in addition to using state procurement as a
5 way of making sure that the manufacturers are on board, I
6 would suggest that we can also use this kind of a pledge
7 to make sure that we're rewarding the high-end recyclers
8 and not rewarding the ones that are going to be exporting.
9 So you can use that in your contracting materials also.

10 MR. MURRAY: Okay. I think we're approaching the
11 two-year anniversary of Sheila Davis' letter to the
12 Department of Toxics that kind of got this issue rolling
13 in California. So our next speaker here is Sheila Davis.

14 MS. DAVIS: I too thank you for having this forum
15 and providing the opportunity for me to come and speak.

16 And I'm happy that the government actually seems
17 committed to moving on this issue.

18 I believe strongly that the responsibility for
19 electronic products should be extended to manufacturers.
20 And that only manufacturers can really address some of the
21 product design issues that have far reaching social,
22 environmental, and economic implications.

23 However, I think that the Government has a
24 responsibility to create the environment to help
25 manufacturers to make responsible choices that benefit our

1 communities and of course benefit the environment.

2 And of course through exporting harm in the
3 Silicon Valley Toxics research, we've seen the damage that
4 can be done to other communities by exporting these
5 products overseas, communities that aren't capable of
6 handling products responsibly in terms of recycling it.

7 But, however, we have to figure out ways in which
8 to develop sustainable domestic recycling infrastructures
9 as well.

10 And I realize that when we talk about domestic
11 infrastructures, we're talking about a global market, and
12 that the companies will basically go where it's cheapest
13 to either manufacture or demanufacture their products.
14 However, our poor infrastructure and the poor product
15 design in combination really results in a very low value
16 material and a material that basically has to be exported
17 or else recycled by prison labor possibly in this country.
18 And in most cities and state governments are turning to
19 prison labor actually to handle the material because they
20 can't afford to contract any other way.

21 Prison labor basically is a really poor
22 technology investment as well as a poor social investment.
23 It doesn't encourage innovation. It basically competes
24 with the private sector. And that there are other
25 alternatives, and we should look for them.

1 However, the cities are really kind of caught in
2 a bind where they really can't afford any other
3 alternative in terms of actual recycling.

4 Most cities have tried pilot projects throughout
5 the country and in California. And of course they can't
6 do it cost effectively recycling, as well as the
7 transportation and collection costs are just kind of
8 overwhelming them.

9 So I think that one of the most important things
10 is to develop a processing -- a domestic processing system
11 in which we're not shipping the materials overseas, in
12 which we basically create some jobs locally, and eliminate
13 the possibility of harm being done to the communities in
14 which these E manufacturing and recycler facilities
15 actually locate.

16 And that basically means setting up systems that
17 recycle a material to an extent where we're actually
18 shipping resins overseas versus shipping whole products
19 overseas or whole monitors or whole computers overseas.
20 The more processing of course, the higher value the
21 material is.

22 I think that these basically investments in the
23 infrastructures and of pollution prevention in this
24 country or in the state is an investment in communities.
25 It will allow recyclers to actually site in communities

1 and it allows basically manufacturers to be more
2 competitive as well.

3 I think low income communities up to this point
4 have really borne -- are kind of in double jeopardy in
5 terms of having recyclers in their community and
6 manufacturers in their community where they kind of --
7 industrially they have borne a burden disproportionately.
8 And now when manufacturers leave and go overseas, they
9 again bear another burden of losing jobs.

10 So kind of in short, I think that the Government
11 also has a responsibility to support recycling markets and
12 to support recycling infrastructures. And I think for
13 another example of this would be in government actually
14 developing procurement requirements for electronics that,
15 if you're going to have a recycled content requirement,
16 that you do it for all thermal or engineering thermal
17 plastics, not just for electronics but for products
18 throughout the -- you know, products that the state
19 purchasers that way, it supports markets.

20 I any recycled -- I think the bottom line is that
21 if companies aren't willing to pay for the costs, then
22 there needs to be a fee, an up-front fee that's imposed.
23 I think the fee should cover the cost of building
24 efficient collection and transportation and recycling by
25 infrastructures that local government shouldn't have to

1 basically bear the costs, that the fee should be an
2 investment that local governments shouldn't have to go in
3 debt to basically collect the material. And that the fee
4 should support pollution prevention technology.

5 And this fee should also sunset at some point.
6 It should be a transitional fee. Those companies who
7 design products that can be recycled should see their fees
8 reduced over a time period. And that government really
9 has a responsibility to purchase products that drive the
10 market for environmentally sustainable computers and
11 electronic systems. And that should include recycled
12 content, should include a reduction in hazardous
13 materials. And it also should include contracting with
14 recyclers who recycle material responsibly.

15 Thank you.

16 MR. MURRAY: Mr. Paparian, Mr. Secretary, Mark
17 Murray with Californians Against Waste. I'm batting
18 clean-up. I'm going to try and cover a lot of the
19 questions that were asked. I'm not going to answer all of
20 them, but I will give written comments so that you have
21 that response.

22 This isn't a national issue. This is an
23 international issue. And if 30 years of Star Trek have
24 taught me anything, it's probably going to go beyond that.
25 Everywhere humans go, their electronic gismos go.

1 And our responsibility here in California at the
2 fifth largest economy in the galaxy should be to take the
3 lead in moving a solution here. And I don't think we need
4 to need to wait for the federal government, I don't think
5 we have to wait for the Europeans to get it right. And,
6 frankly, I think we make a mistake if we think that we're
7 going to get it exactly right before we get done this
8 legislative session.

9 We've got a hazardous waste problem. Mr. Lowry
10 identified that this is a hazardous waste problem that is
11 going to double the volume and double the cost of the
12 existing household hazardous waste infrastructure. That's
13 a huge problem.

14 And so we may not get it perfectly right. But
15 that's not a reason to drag our feet and wait until the
16 exact perfect solution magically appears.

17 The other thing that I think is clear from the
18 previous panel is that we're not going to get consensus
19 among industry. There are some industry leaders out
20 there, but there's a lot industry out there that is
21 opposed to producer responsibility. We're going to have
22 to pick and choose which companies we're going to work
23 with. And this administration -- which I think has its
24 neck out right now having vetoed that legislation. I'd
25 much prefer to be having this conversation right now with

1 Senator Sher and Senator Romero's legislation on the table
2 with 18 months or 13 months before implementation and
3 giving us a chance to negotiate in that environment.

4 So now I think -- there were a lot of good words
5 in that veto message, but I think your neck is on the line
6 a little bit, and it's important that we work this year to
7 come up with a solution. That's the timeframe that we
8 have to address this problem.

9 Fortunately the Europeans have been covering this
10 issue for a number of years now. And I think that they
11 have, you know, identified some solutions. Ironically, as
12 Mr. Young pointed out, many of the solutions that the
13 Europeans have identified look awfully similar to
14 provisions of old California policies, the bottle and can
15 recycling law, the used motor oil law, the tire law.

16 But let me just describe it from your first
17 question, how would you make the EU's WEEE model -- we got
18 to call it something other than WEEE. Promise me you will
19 do that.

20 How --

21 CIWMB BOARD MEMBER PAPARIAN: Spoken as a new
22 father.

23 (Laughter.)

24 MR. MURRAY: That's right. I don't want to tell
25 you where this suit's been.

1 (Laughter.)

2 MR. MURRAY: So how do we work with that model?

3 A successful California E-waste collection and recycling
4 system would have a lot of similar components. Like the
5 EU directive, the producers of the hazardous consumer
6 electronics, this is hazardous consumer products, should
7 bear primary responsibility for the environmental and
8 public health impacts of their products.

9 Among the specific provisions. There are two
10 approaches that we could go here. I don't think there's a
11 right or wrong way in terms of which approach you take.
12 And the Europeans actually include both.

13 One option is manufacturers could be required --
14 should be required to either finance directly or provide
15 free and convenient take-back and collection of their
16 products from consumers. More than just a means of
17 financing and collection of processing, this system needs
18 to harness market forces to signal the manufacturers to
19 design their products for reduced amount of hazard waste
20 and design their products for recycling.

21 We're not just about collecting money here to pay
22 for a collection system. We're about changing the way
23 that these products are made so we reduce the problem in
24 the future. That's the sustainability that we should be
25 shooting for is to actually reduce the amount of hazards

1 in the future. That's going to ultimately bring the cost
2 of the system down.

3 Under a front-end financing approach recycling
4 incentive fees on producers should be market based,
5 reflecting the true costs of the environmental impacts for
6 each product. For example, a CRT device with a high cost
7 of recycling or excessive amounts of hazardous materials
8 should have a higher fee than a device that's not designed
9 for recycling, or one that has lower amounts of hazardous
10 waste should have a lower fee. And this isn't a new idea.
11 This is a policy that Senator Sher and the State
12 Legislature here have had in place in California for 15
13 years.

14 DTSC DIRECTOR LOWRY: How do you do that without
15 enforcing me to hire 300 people to figure out exactly what
16 the fee ought to be?

17 MR. MURRAY: The marketplace has done a pretty
18 good job right now of determining the cost of recycling.
19 So when the Department of Conservation goes out and
20 surveys the cost of recycling, I mean they're taking a
21 look at the existing recyclers and what is their real cost
22 of doing business.

23 So I think that you have to look at the real cost
24 of doing business, and make sure that that's -- what's the
25 cost of managing these hazardous devices. Sony has made

1 a commitment to reduce the amount of lead in the solder in
2 their devices. Their devices are going to pose less of an
3 environmental impact than a competing device because it
4 has leaded solder. I think that that should be
5 reflected -- if we go a fee approach, that should be
6 reflected in the fee.

7 The idea is to send a signal to the marketplace
8 to encourage these manufacturers to design for recycling,
9 to reduce the cost of recycling, and to reduce the amount
10 of the hazardous materials in the device.

11 There's another way for the manufacturers to
12 internalize this responsibility. And that's for them to
13 take it back. And that's the other approach that is
14 envisioned in the European Union. Under the manufacturer
15 take-back or through a collective third-party approach,
16 manufacturers should still be responsible for covering the
17 unique costs of properly managing their products. Again,
18 it sends a market signal because now that Sony and H-P are
19 stuck taking back their products, they're going to be
20 thinking about ways to get that profit line up. They're
21 going to look for ways to reduce that cost.

22 Last year when Senator Romero had a hearing on
23 this issue, a representative from H-P said that one of the
24 benefits of H-P's recycling system is that the recycling
25 end of the business is able to provide feedback to the

1 manufacturing side of the business about design for
2 recycling. We want all the manufacturers to have that
3 feedback look.

4 Manufacturers in this system, and again whether
5 it's a fee-driven system or there's a take-back system,
6 the system needs to encourage the manufacturers to the
7 extent feasible to reduce and/or eliminate the amount of
8 the hazardous materials in their products. It needs to
9 encourage the manufacturers to increase the lifespan and
10 the reusability of their electronic products and devices.

11 I keep getting a new computer system every 18
12 months to 2 years. I can't believe that every part of
13 that box and that screen is obsolete. I got to believe
14 that with more of a kind of a stereo component system
15 approach where we're being encouraged to replace those
16 components that go out of date, that we could extend the
17 life of our electronic devices.

18 So manufacturers need to be encouraged to design
19 for increased life span, they need to be encouraged to
20 design their products for increased reuse and recycling.

21 Each of these last three objectives can best be
22 achieved through true producer responsibility system.
23 That's why a back-end approach just doesn't work, where a
24 flat-fee approach just doesn't work because it doesn't
25 send those signals to the marketplace.

1 Manufacturers should have primary responsibility
2 for educating the public regarding the presence of
3 hazardous materials in their products. We require other
4 manufacturers to tell the public about the hazardous
5 materials in their products. These electronic
6 manufacturers should have to do the same.

7 They should also be responsible for educating the
8 public about the prohibition on the disposal of their
9 products and on the proper managing of these devices.

10 There needs to be -- it seems appropriate that --
11 these are for the most part communication devices. And it
12 seems appropriate that this communication industry should
13 take responsibility for communicating with their customers
14 about the hazardous impacts of the products and the right
15 way to manage them, rather than having us have to come up
16 with a -- spend \$10 million to have a state public
17 education program.

18 Finally, California should provide a regulatory
19 framework for the management of the electronic scrap that
20 both protects human health and the environment. I got a
21 sense from the first panel that maybe some folks thought
22 that DTSC has gone a little too far in their regulation.
23 I am concerned that they haven't gone far enough in terms
24 of ensuring that the public health and safety is protected
25 with this universal waste rule scheme. I think that we

1 were open to experimenting with universal waste rules, a
2 way of managing hazardous waste in a nonhazardous waste
3 kind of collection environment, regulatory environment.
4 But I think the jury's still out on that kind of system.
5 Nobody wants to increase the cost. But we got to
6 remember, this is hazardous waste and we do want to
7 protect public health and the environment.

8 So what type of modifications to the WEEE model
9 would we propose? We need to establish some clear
10 consequences for failure to meet the recovery recycling
11 goals. For example, we could require the establishment of
12 a consumer refund or bounty system or require funding of
13 an expanded public education program or expansion of a
14 recycling collection infrastructure if the goals aren't
15 achieved.

16 Export provisions need to be clear that we want
17 to prohibit the export of hazardous electronics to
18 developing countries, particularly the State of
19 California. A lot of those devices that showed up on
20 front page of the L.A. Times with tags from China were
21 from the State of California.

22 Implementation timeframe. California has already
23 implemented this kind of policy with other materials. We
24 don't need the same kind of implementation timeframe that
25 Europe, which is doing this for the first time with lots

1 of different countries, needs. So we believe that no more
2 than 12 months is needed from adoption to implementation
3 of this system.

4 Labeling and public education. Again I want to
5 emphasize that manufacturers should be responsible for
6 both labeling of their products and for the public
7 education. In addition to the European system with
8 labeling requirements regarding prohibition on disposable,
9 the label should inform that the product contains
10 hazardous substances and provide information on the proper
11 way of managing it.

12 Lots of other information that I'll send to you
13 in terms of the details of how we might work that system.

14 But the bottom line is, what we're really trying
15 to tell you today is that the hurdle we need to cross is
16 that of producer responsibility. Mr. Paparian talked
17 about that line. Where is it that the producer should be
18 responsible? We think that the most cost-effective system
19 and a system that ultimately will become more and more
20 efficient is one where the manufacturers bear the greatest
21 percentage of responsibility for the collection of these
22 devices. If they're responsible for dealing with the
23 consumer collection issues, then they're going to figure
24 out ways to reduce the cost of recycling these devices.

25 And, again, if manufacturers are bearing 100

1 percent of that responsibility, we know it's going to be
2 reflected in the cost of the product. So that rather than
3 taxpayers being asked to bear a portion of this cost in
4 their shared responsibility world, it's the consumer of
5 these devices that are bearing that responsibility. And
6 we accept that, we recognize that, we think it's perfectly
7 appropriate that the price of these devices reflect this
8 proper cost of environmental management.

9 Again, thank you very much for providing this
10 opportunity. And we look forward to working with you over
11 the next several months.

12 CIWMB BOARD MEMBER PAPARIAN: Senator.

13 SENATOR SHER: I know we're over time. But
14 before we lose this panel, I just want to -- their
15 comments have brought home to me the real challenge in
16 drafting this legislation. My experience from last year's
17 legislation and generally my experience in the Legislature
18 is the simpler the legislation, the easier it is to draft
19 it, to explain it to other members, and to get it enacted.

20 Mr. Murray, in your comments you had a lot of
21 policies, you too, Ted, that you want to utilize this
22 legislation to promote. That complicates it. I mean
23 there are two big issues we have here.

24 What products are we going to apply this to, what
25 kind of equipment?

1 The EU has these ten product categories,
2 including the large appliances, the small ones, the
3 communication ones, the consumer products like television.

4 So we kept it simple in my bill last year. We
5 limited it to -- only covered CRT devices, which basically
6 were the computer monitors and television sets. We have
7 to address the question. Now, how much you want to go
8 beyond that with -- you know, I think categories 3 and
9 4 -- we heard the presentation of the staff. And category
10 3 was IT, intelli-communications equipment, and category 4
11 was consumer equipment like television sets and so forth.
12 But broader than what we had.

13 Then the second question is trying to promote all
14 these policies. Consumer -- manufacturer responsibility I
15 think we could describe fairly simply. And, Mr. Murray,
16 you said that if they -- you have statutory standards
17 about what they have to do with this material, what's
18 appropriate recycling and disposal, then they'll have
19 built-in incentives to make their products easier to
20 handle as far as hazardous materials and also to recycle.
21 But you start giving credit for manufacturers through how
22 much their responsibility is or if you go to a fee system,
23 I think this is what was being suggested, that you make it
24 depend on the percentage of recycled materials in it, the
25 percentage of hazardous materials and size and so forth,

1 it becomes more complicated and it requires some
2 governmental agency to write those prescriptions and it
3 becomes a government program.

4 So all I'm saying is how -- I guess I'm asking:
5 How broad do you want to go with this -- do you think we
6 ought to go this year with some realistic appraisal of
7 what's likely to succeed?

8 MR. MURRAY: Let me take the -- excellent
9 question. Let me take the second part of it first.

10 I don't want to spend the next several years in
11 court fighting over the implementation of this. And I
12 think that again our message to you is a simple one, is
13 that if we do true producer responsibility, that is, if we
14 make the manufacturers either take it back or pay the true
15 costs of the environmental impacts of these devices, I
16 think a lot of the other details that we've been
17 describing to take care of themselves. So a true producer
18 responsibility proposal where we don't compromise the hell
19 out of it, that will address a lot of the concerns that we
20 have.

21 As an environmentalist I'd like to see -- as a
22 terms of scope, I'd like to see us take on all of these
23 hazardous electronic devices. As I policy-oriented
24 person, I want to make sure we get the policy right. And
25 if that means staying focused on CRT's this year to make

1 sure that we get the policy in place, and then we build on
2 that in the future, I can live with that.

3 MR. TED SMITH: If I could just respond quickly
4 myself to the second question too.

5 I don't think under producer responsibility
6 system that government needs to get into the business of
7 saying for this product you pay \$3.74 and for this product
8 you pay \$17.36. I agree, that would be totally
9 unmanageable.

10 But I think the beauty of the producer
11 responsibility system is that the companies themselves get
12 into the business of essentially setting those fees
13 themselves internally, because they're going to know how
14 much it's going to cost to recycle. And since they're the
15 ones who have to pay the cost of recycling under that kind
16 of an approach, they're going to be the ones who are going
17 to be competing with each other. And I think government
18 can stay out of it.

19 The only place where I see that government might
20 have a role in that with a fee based is to take care of
21 some of these other things. Not the recycling part of it,
22 but maybe the collection part of it, maybe the incentive
23 return part of it. But those are not variable fees. They
24 don't have anything to do with addressing the design
25 issues. That's done internally.

1 SENATOR SHER: Would you limit it to devices with
2 hazardous materials.

3 MR. TED SMITH: I think that's a good way to
4 start. And at this point it's a very limited number of
5 materials. But as we heard earlier, that's likely to
6 grow. I'm sure it will. Australia already has done it, a
7 number of other places are already doing that.

8 But I think -- that's the key concern in my mind,
9 is the hazard. And if we just base it on hazardous
10 materials, as new things are added to that list, then that
11 could incorporate in the same program.

12 SENATOR SHER: Hazardous materials as defined by
13 the Department of Toxic Substances Control.

14 Anyway, we'll have to face that issue, I think.

15 CALEPA SECRETARY HICKOX: Mark, could you and the
16 members of your panel reflect specifically on the comments
17 we heard from the prior panel, and even more specifically,
18 from H-P. It seemed as though from listening to Senator
19 Sher that there was some movement. Do you agree with
20 that? And what's your reaction?

21 MR. MURRAY: Sure. I think that there was
22 movement. You know, throughout our discussions with H-P
23 last year they kept saying that we were 95 percent there,
24 but they never said what that was. And I think that what
25 Renee described today is maybe what that is. And I think

1 it's -- I may not describe that as 95 percent there.
2 Maybe it's 80 percent there. Local governments and waste
3 haulers are currently bearing a huge cost in terms of the
4 collection of these devices. That's the part where the
5 kind of the rubber meets the road in terms of creating
6 that convenient opportunity.

7 We got a crappy recycling rate for these devices
8 right now. We're not doing a good job. Even with the
9 infrastructure that is killing local governments right
10 now, we're not doing a good enough job collecting these
11 devices. So to say that local government can kind of keep
12 doing what they're doing in terms of collection, I don't
13 think that that's going to cut it. We've already got a
14 private sector recycling infrastructure that's
15 consolidating the devices, and they're charging local
16 governments for the privilege of taking these supposedly
17 valuable materials to them.

18 So I think we need to ask the manufacturers and
19 ask H-P specifically to go a step further. H-P's system
20 right now, they pick these devices up either through the
21 mail, or in the Sacramento area at least they'll come to
22 your business or house and pick it up. You know, maybe
23 that's more of a Cadillac system than we need. But having
24 them bear that financial responsibility for whatever that
25 collection infrastructure is, that's appropriate. So I'd

1 ask H-P to move a little further.

2 Sony, it didn't seem like they were going quite
3 as far as H-P, as I heard it. So we need to get both of
4 them to move a little further. But I certainly applaud
5 them coming forward here. I think three of your four
6 panelists were -- goal-wise it seemed like we were on the
7 same page. And I think that those are the folks that we
8 need to work with.

9 MR. TED SMITH: Let me just say that I think that
10 what we heard today from Hewlett-Packard was actually a
11 major breakthrough, and I really applaud them. And I'm
12 very, very pleased to hear this. We've been hearing it
13 for a while that this was coming. This is the first time
14 in public that any U.S. company has said, "We support
15 producer responsibility here in the U.S."

16 The meeting I mentioned that I was at in France,
17 H-P, Sony, a lot of them were all there talking that
18 language. But the first time we've heard that here in the
19 U.S. So I think that's really important, and I
20 congratulate H-P for taking that step and I'm looking
21 forward to working with them.

22 MR. MAGAVERN: Yeah, I also applaud
23 Hewlett-Packard for stated publicly their willingness to
24 take back their products for recycling.

25 I do disagree on financing the collection. I

1 don't think that it's fair to charge that to the
2 taxpayers. And ultimately of course the Legislature and
3 the Governor as our elected officials will decide what
4 their constituents should pay for. But I would say the
5 industry should pay for that.

6 MS. DAVIS: I think I write better letters than I
7 do actually make presentations frequently. I don't like
8 talking in public. But I would like to emphasize that if
9 the city governments, or local governments have to bear
10 the costs of collection, that basically -- and
11 consolidating the material and of course if there's any
12 costs that they'd have to bear as well in recycling, it's
13 really got to result in kind of a lowest common
14 denominator of recycling. We saw the tags from the Los
15 Angeles School District, you know, and the Exporting Harm
16 video. And that's a sample of the type of financing or
17 the type of funding that the cities have available to
18 handle the material. And it does not want to go overseas.
19 It will go to prison industry. And that's not an
20 acceptable alternative. And I didn't hear much of a
21 response when I mentioned the prison industry, and I don't
22 know what the Senator's position on it, or the Waste
23 Board's. But I just do not think that that's a good
24 option in terms of trying to invest in recycling
25 infrastructures in California.

1 If we're going to ask that it not be exported, we
2 need to find a way to invest in it. And if a fee is an
3 investment, then that needs to happen. If the
4 manufacturer's got to bear the costs, then the
5 manufacturer needs to guarantee that is being handled
6 responsibly and that there's a good investment in the
7 infrastructure as well.

8 CIWMB BOARD MEMBER PAPARIAN: Mr. Lowry, did you
9 have a --

10 DTSC DIRECTOR LOWRY: Actually the Secretary
11 asked the question I was going to ask.

12 CIWMB BOARD MEMBER PAPARIAN: A couple of quick
13 things. Actually perhaps at the end of the day I'd love
14 to hear the electronics industry's response to the
15 environmental panel. We heard their response to the --
16 the environmental panel's response to the electronics
17 industry's statements. And if they are prepared to do
18 that at the end of the day, I'd love to hear that.

19 I want to just ask a couple very quick questions
20 on the issue of export.

21 Ted, I think I heard you say that the concern is
22 with the export of the hazardous components. That would
23 seem to imply to me that if computers were taken apart and
24 you had the metal exterior box of the computer, that it
25 might be okay to ship that in your view to another country

1 for, you know, recycling into new metal or other
2 components that were taken apart.

3 You're nodding your head.

4 MR. TED SMITH: That's always been our position.
5 It's the export of hazardous waste. And anybody who wants
6 to export products for reuse, people who want to export
7 the nonhazardous components, that's fine. We're not
8 concerned about that. We're concerned about the export of
9 hazardous waste.

10 CIWMB BOARD MEMBER PAPARIAN: Okay. And I think
11 we may be hearing from a company this afternoon that takes
12 used electronics and sells them in a foreign country.

13 Any view on whether --

14 MR. TED SMITH: Well, there's two questions
15 there. One is, can you differentiate products for resale
16 compared to mixed products where there's a few for resale
17 and the rest of it's junk. And that's a widespread
18 practice. And I think once you acknowledge that it's okay
19 to export for reuse, you have to start really looking at
20 what's in that box. And the problem of the mixture -- I
21 mean the typical way that things happen in this industry
22 is that companies will sell huge lots and they'll sell
23 them in big containers and there might be, you know, six
24 Pentium-style good computers on the top and on the bottom
25 is, you know, 10,000 pounds of hazardous crap. And so how

1 we design things to address that issue is really
2 important.

3 The second issue, which is also important, is
4 assume everything is legitimate, products for reuse that
5 people want to reuse and that they can export those and
6 people can buy them less expensively and it's really a
7 good deal all the way around to getting technology to
8 people who can't otherwise afford it. There's still the
9 question of what happens at the end of life of those
10 products in the country where they end up. And there's
11 not the capacity in many of those countries. And so at
12 some point it's going to become a problem, so I think we
13 need to really think carefully about that also.

14 MR. MURRAY: I would just mention that there --
15 you know, one of the largest recyclers of intermediate
16 recycler processors, dismantlers of electronic devices in
17 California does export working devices to their own
18 company in other countries to their own retail outlets.
19 That's Australian-based HMR. And so in that instance
20 they're kind of taking responsibility at both ends and
21 that they actually are then marketing the devices
22 overseas.

23 I wanted to mention just one other thing that --
24 just in terms of this collection issue. Ten years ago we
25 had a problem with hazards in appliances. The large White

1 goods, refrigerators, et cetera. And we didn't implement
2 a producer responsibility system. And, frankly, today
3 that's system is failing. We don't have the collection in
4 place. We don't have the proper handling of a lot of the
5 devices, and a lot of the devices are being illegally
6 handled and the material is being illegally disposed. So
7 when we did it wrong ten years ago, it bit us. And we
8 don't want to make that mistake again here.

9 MR. TED SMITH: If I could, just one more
10 footnote too on this issue of the mixed waste. I think
11 this is another really important role for government. And
12 I think that what would be really effective in that regard
13 would be to have a couple of inspections, you know,
14 state-sponsored inspections of some of these wholesale
15 operations that are going on and actually pry open some of
16 those boxes and look at them and see what you find. I
17 think a couple of high profile actions like that would go
18 a long way to helping to clean up that whole system.

19 CIWMB BOARD MEMBER PAPARIAN: Okay. Thank you.

20 Anything else for this panel?

21 Thank you very much.

22 Before we break for lunch, I do have a couple
23 quick announcements. First of all, I forgot to
24 introduce -- I should have introduced this morning Mark
25 Leary, who's the Executive Director of the Integrated

1 Waste Management Board. He's been here all day in the
2 front row.

3 If any of the panelists for the afternoon panels
4 have presentations, if you could come forward -- or Peggy
5 Farrell's in the back of the room at the moment. She'll
6 be coming back to the front of the room. If you could
7 give your presentations to Peggy Farrell so that we can
8 get them loaded up and ready to go for the afternoon, that
9 will help move things along.

10 In terms of the lunch break, we were originally
11 scheduled to back at 1:15. Does 1:30 work? Can we have a
12 quick lunch, everybody, and get back by 1:30?

13 We have general nods up here. So we'll be back
14 promptly at 1:30.

15 If you're looking for places to eat, ask around.
16 There's a cafeteria downstairs. There's also a couple
17 good sandwich places within a block or two of here.

18 So we'll be back at 1:30.

19 (Thereupon a lunch break was taken.)

20

21

22

23

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25

1 AFTERNOON SESSION

2 DTSC DIRECTOR LOWRY: We'll proceed with the
3 afternoon session.

4 I want to thank everyone for coming back. We
5 will endeavor to proceed as quickly as we can. But also
6 we're interested in getting information.

7 Our first panel is going to be from members of
8 the waste and recycling industry. And the final panel
9 will be from local government.

10 After that we have a period reserved for public
11 comment. And we have had about 15 people sign up already
12 who want to present public comments. For those of you who
13 are thinking of "I've got an airplane to catch and I want
14 to be first in the public comments," that one is taken.
15 Someone has already done that, and he will be first, and
16 they get to fly back to L A.

17 There are additional speaker cards in the back on
18 the table outside. And if you want to talk, you're way of
19 being able to do that is to fill one out, give it to the
20 good folks over here, and we'll put on for about a
21 three-minute opportunity to comment.

22 So without additional talking from the dais up
23 here, we have Kevin McCarthy from Recycle America, Scott
24 Miller from Sims Metal, Mark Tenbrink from Micro Metallica
25 Corporation, and Steve Wyatt from Computer Recycling

1 Center, all who we've invited today.

2 And, gentlemen, thank you very much for coming.

3 Have you talked among yourselves about who wants to go
4 first?

5 Mr. McCarthy would you like to start?

6 MR. McCARTHY: I appreciate the opportunity to be
7 here. I'm the Director of Electronics Recycling for Waste
8 Management / Recycle America. So I'm here wearing two
9 hats today. One is with Waste Management, Inc., a solid
10 waste company. The other is Recycle America, which is
11 Waste Management's recycling company.

12 I think there have been a lot of points brought up
13 today about collection issues and processing issues. And
14 I'm certainly here as a resource to try to answer some of
15 those questions.

16 I'm also a stakeholder in the NEPSI process. So
17 I can the share my perspective on how that's been going.

18 Let me first give some overall points on the
19 subject matter. And then try to address some of the
20 specific questions that were posed to us.

21 There certainly doesn't seem to be any
22 disagreement at this point that we need a program.
23 Probably a year ago there were some folks in this room
24 that maybe doubted the fact that we needed a program, that
25 we should move forward. But certainly that question is

1 behind us.

2 I think the question at hand is how do we develop
3 the most cost-effective system. And I don't think those
4 words "cost effective" have been mentioned or stated
5 enough today. And that's going to be the basis of some of
6 our comments.

7 I think what's most important in a starting point
8 is that we need to build on the infrastructure that we
9 already have in California. That's another point that's
10 been mentioned a few times. But clearly as we look at
11 issues of front-end fee or take-back, we have to consider
12 we have a tremendous asset base of facilities, both our
13 company, both nonprofits, local governments. We need to
14 somehow weave that system into whatever solution that we
15 have.

16 I think building on that comment, our position as
17 a company is still to work within the framework of the
18 Sher Bill. Whether it's a front-end fee with some
19 combination of manufacturer take-back, we think it's still
20 a good foundation. I think we need to all reread the
21 bill. There are a number of good provisions in there, and
22 I think we can still build off of it.

23 I think another point though that needs to be
24 highlighted is that we've been talking about the Sher
25 Bill. And I'd like to point out back in 1988 -- or,

1 excuse me -- 1989 when the Sher Bill recycling Act was
2 passed, there was a little known bill. I don't if Mark
3 Murray is still in the in the room. But CAW got a little
4 bill passed called AB 1305, which was a recycled content
5 bill. And that bill probably has as much power, as much
6 success as anything that we've done within recycling in
7 California. I think we need to take a stronger look at
8 what we can do in terms of the markets.

9 Let me try to address some of the questions
10 first, and then I'll close with a couple of general
11 comments.

12 The first question about how to apply the WEEE
13 model in California. As a general statement, our company
14 position is to not support manufacturer take-back. We
15 don't think that's the right approach. We think there
16 might be elements of the WEEE initiative that are
17 beneficial. A couple of those include the consumer
18 education aspect, some of the design for environment
19 standards. But the general concept of requiring carte
20 blanch manufacturers to take product back is not something
21 that we believe is the right and most cost-effective
22 approach.

23 DTSC DIRECTOR LOWRY: What do you propose
24 instead?

25 MR. MCCARTHY: Well, I think what's been outlined

1 today is some sort of a hybrid program, that would
2 probably be a combination of a front-end fee with either
3 an option -- an opt-out option for manufacturers. That
4 could be a possibility. But I think we should not go
5 strictly down one path or the other. We shouldn't say a
6 front-end fee is going to cover anything. I don't think
7 we should say a manufacturer's responsibility approach is
8 the right way either.

9 I think what we can decide though is we can try
10 to simplify the approach and say, you know, manufacturers
11 have to take everything back, but we're ignoring the
12 tremendous infrastructure that's in place in California.

13 And if an OEM like Sony and H-P want to take on
14 that responsibility because they think it's the most
15 cost-effective solution for them, we should certainly
16 allow it. But I think generally speaking it doesn't make
17 a lot of sense to set up a duplicative collection network
18 in California.

19 DTSC DIRECTOR LOWRY: And your point is that we
20 have enough of a collection network in California because
21 what?

22 MR. McCARTHY: Because of previous work Senator
23 Sher has done, what local governments have done. There's
24 a great deal of infrastructure there on both the
25 collection side. There is limited processing capacity,

1 which gets back to my other question on markets. Whatever
2 we do, we should not rush into trying to implement a
3 solution because the markets just do not exist for full
4 scale roll-out of a program in California in 12 months.
5 If we are to try to go from a couple of percentage
6 participation rate to a 25 or 30 or 40 percent rate, the
7 preexisting markets would be easily flooded. We'd have a
8 much bigger problem on our hands.

9 CIWMB BOARD MEMBER PAPARIAN: In your mind would
10 a front-end fee be a per-unit type of fee like we see on
11 the -- could that be an assessment based on market share
12 as some of the European countries have done? Would that
13 incorporate a front-end view or would that be something
14 else?

15 MR. MCCARTHY: That could be incorporated I think
16 what I'm not referring to is any kind of a deposit system.
17 I think that's very different. But either a fee at the
18 point of purchase or some sort of fee that manufacturers
19 pay into a fund. I guess where I'm trying to draw the
20 line is that we have a lot of folks in this room that had
21 a lot of experience managing programs and doing that, and
22 I think we shouldn't supplant that in the rush to come up
23 with a simplified manufacturers take-back program.

24 So those are some of my main points. I think we
25 should work off the Sher bill framework. We should have

1 some flexibility for some sort of opt-out provision.
2 We've worked with Sony in Minnesota, as was brought up
3 earlier. That program has had modest success. But I
4 think we have to -- we have to really figure out how to
5 come up with the most cost-effective solution. If an OEM
6 wants to take that position that they can bring a product
7 back through some distribution system which maintain
8 recyclers, then that's the choice that they should make.
9 But we should be careful about not trying to jam that
10 system for all cases.

11 I think phased-in implementation, and certainly
12 not for the sake of delay. But as someone in the field,
13 we have to have the proper time to get the markets
14 developed. So I think there should be some either
15 companion legislation with this bill -- with the Sher Bill
16 that deals with markets or adds something to the Sher Bill
17 in markets. Mentioned the opt-out provision. And I think
18 that is it. So I appreciate being here today.

19 Thank you.

20 DTSC DIRECTOR LOWRY: All right. Thank you.

21 Mr. Miller.

22 MR. MILLER: Thank you. I had a couple of slides
23 that are to help us to emphasize some of the points that
24 I'd like to bring up.

25 (Thereupon an overhead presentation was

1 Presented as follows.)

2 MR. MILLER: Thank you for this opportunity to be
3 here. I think this is a well timed hearing. And I
4 appreciate the invitation to present the material.

5 I'd ask to address certain issues regarding how
6 the European -- the recyclers' perspective with operations
7 in Europe. We have -- I'll give a little background about
8 who I am and where we're from. My name is Scott Miller.
9 I'm with -- I'm manager of environmental legal affairs
10 for Sims Metal America. Our parent company is Sims Metal
11 Limited. It's an Australia headquartered metal recycler
12 with worldwide operations, well over 100 facilities
13 throughout the various countries of the world, primarily
14 in Australia and New Zealand, United States, as well as
15 the United Kingdom.

16 And Sims Metal in the United Kingdom has a number
17 of metal recycling facilities, but also it engages in
18 other sorts of recycling activities more in line with
19 where the directive is going.

20 Sims UK is also involved as a stakeholder in
21 implementation of the WEEE directive in UK and is very
22 familiar -- meets with a lot of governments throughout
23 Europe to determine the direction that WEEE may be taking
24 once it's finally implemented and in each member state.

25 With that I'd like to mention some of the

1 highlights through the slides. I just have directed and
2 mostly were covered, but I'd like to emphasize certain
3 points in terms of what they might impact -- what impact
4 they might have in implementation here.

5 --o0o--

6 MR. MILLER: The first discusses just -- just
7 emphasizes the point that I think everybody's on board
8 that prevention of waste disposal in landfills of WEEE
9 materials is a necessary step. And it's taken -- that's
10 already existing of course in California. And the
11 emphasis also should be on is the reuse, recycling, and
12 recovery of the materials. I think all those are points
13 that are well developed here as well as in the directive.

14 Another aspect I think is important is that the
15 directive seeks to improve the environmental performance
16 of everyone involved in the chain of from collection to
17 treatment and so forth. And the issue there is that we're
18 involved in the recycling side of this activity. And we'd
19 like to make sure that through this provision in the WEEE
20 directive and as California develops its approach, that
21 there's a level -- some others spoke about a level playing
22 field for the manufacturers. It's also true that the
23 recycling aspect needs a level playing field in terms of
24 consistent application of the environmental requirements
25 for all operators, and that the financial burdens be

1 spread fairly among all of the players who are going to
2 take up these activities.

3 We are in favor I think of some sort of -- I
4 think as a company and also I think our industry -- to
5 produce a responsibility in some fashion, as the WEEE
6 directive promotes as one of its primary objectives. But
7 we also -- I think currently what we're trying to avoid I
8 think is that the financial burden doesn't fall
9 disproportionately upon the recyclers of those materials
10 and that the costs of -- true costs that are involved in
11 the recycling and other -- recovery of the material be
12 fully paid for up front or through the producer. I think
13 that is -- I think that from our prospective the only
14 effective means of encouraging the markets that were
15 discussed by others of this recycling activity.

16 --oOo--

17 MR. MILLER: One of the things that Senator Sher
18 brought up was in terms of keeping the approach simple
19 throughout legislation. And we also agree with that. It
20 should be, we feel, especially in the early stages of
21 developing a program. The WEEE directive covers a broad
22 range of materials that were well covered already. We
23 feel most of those materials are inappropriate to be
24 addressed in the regulation or in the legislation here at
25 this time. But I think the proper focus, as reflected in

1 the bill, should be on the CRT because, for many reasons,
2 it's one of the more problematic materials because of
3 various constituents.

4 We also were glad to hear about the discussion
5 with respect to the direct communication -- for what they
6 call as the WEEE directive, those producers involved in
7 direct communication being part of the program, because
8 the issue of trying to have a level playing field, both
9 from our perspective and from the getting an effective
10 program would require a buy-in by all producers. And
11 we're glad to see that that's an issue that's been engaged
12 here, even though there's some questions as to whether
13 they'll be implemented.

14 DTSC DIRECTOR LOWRY: Can you give me an example
15 of how your company would be hurt on an unlevel playing
16 field perspective that we would need to pay attention to?

17 MR. MILLER: Well, the gist of it is that right
18 now ordinarily metal recycling is a trading activity. In
19 other words someone pays you -- we pay someone to take
20 their material in and we sell it to someone else. And
21 recycling of the commodities we're talking about here are
22 items where the cost to recycle or even to recover exceed,
23 in many cases substantially, the sales price of the
24 various components that are salable. There's a lot more
25 waste generated, or find the materials that are not

1 recoverable -- recyclable, I should say, and are in need
2 of other forms of recovery or disposal.

3 And in order to have a program that works you
4 want to make sure that everybody gets charged with the
5 same level of environmental responsibility, but also that
6 there's sufficient funds in the program that a recycler
7 doesn't end up having to pay out of pocket for something
8 because the market isn't there to pay the full value of
9 the material.

10 So if some producers are left out of the process,
11 then there's going to be a shortfall or there may not be a
12 system at all. If there's not a system which puts the
13 responsibility for payment or implementation on the
14 producer, then it's going to shift over to the recycler to
15 pay that difference, you know, to take the loss in order
16 for it to work out.

17 DTSC DIRECTOR LOWRY: Wouldn't you simply get out
18 of the business at that point?

19 MR. MILLER: Well, that's why we're seeing a very
20 slow introduction into the business today. It's not so
21 much people getting out. It's the companies like ours are
22 reluctant to enter fully into the market because it isn't
23 a market system yet.

24 DTSC DIRECTOR LOWRY: All right.

25 MR. MILLER: And that's also true -- if I could

1 have the next slide please.

2 --o0o--

3 MR. MILLER: -- with the WEEE directive. And
4 someone else mentioned before that in fact the directive
5 is not in place right now. I mean there's a directive in
6 place, but there's no -- there are no member states which
7 have implemented the WEEE directive. There are three or
8 four nations that have taken principles from the WEEE
9 directive, but no one's actually implemented in place.

10 The commencement -- the dates I've heard for
11 implementation of the directive are mid 2004 for the start
12 of -- for member states to seek developing legislation for
13 the directive. And then producer responsibility wouldn't
14 be triggered until some time in 2005. And the element
15 that I want to focus on as well is the targeting of
16 recyclable components and the recoverable components
17 doesn't take place until end -- is not required to take
18 place until the end of 2006.

19 So I think we haven't seen yet some of the issues
20 and problems that may arise even with the implementation
21 of the WEEE directive that we can learn from.

22 But one of things that's also important about the
23 directive is it doesn't really tell you how to go about
24 doing this business, how to recycle, now to effectively
25 recover it. It just provides the mandates that -- and in

1 our case, the one of most importance for our industry are
2 the targets of recyclability or recoverability. Just says
3 you must meet these targets. But you're really on your
4 own to develop the means of meeting them. It's our
5 objective to make sure that whatever targets are assigned
6 or whatever program is implemented, that there's enough
7 funds that in fact it becomes a market-based approach,
8 that the market is allowed to develop -- that it's allowed
9 to develop in a market-based system.

10 --o0o--

11 MR. MILLER: Just as an example. Under the WEEE
12 directive of the program, they've estimated the cost to be
13 I think -- again this is just numbers that are based on
14 earlier this year -- were roughly 204,000 pounds, which I
15 think is roughly 300,000 to 600 -- \$300 million to \$600
16 million per year to implement the WEEE directive in the
17 various member states. I think I collectively. So
18 there's a significant cost, but it's not an insurmountable
19 cost when compared to the total value of retail goods
20 involved.

21 --o0o--

22 MR. MILLER: Again I mention I think on the next
23 slide just the range of commodities that are involved in
24 the WEEE directive, which pretty much is everything
25 electrical or electronic. And I think that focusing on

1 categories 3 and 4 is a good idea, primarily on the CRT's
2 like I mentioned before.

3 Just so people understand, that we're talking
4 about reaching -- requiring a recovery of recycling rates
5 for the IT and telecommunications equipment or -- I guess
6 also number 4, which is consumer equipment, in other words
7 computers or printers and that sort of thing.

8 The recycling rates, or the targets that they
9 have set, are for consumer equipment, for both -- 65
10 percent recycling and 75 percent recovery.

11 Now, you might say, well, those seem like fairly
12 low numbers. What we're talking about is actually
13 having -- finding markets for all these recyclables and
14 all these recoverables. The vast majority of what they're
15 going to be looking for for meeting the recycling target
16 is going to be in the metals area. That's the highest
17 weights. And that's where you have the most valuable
18 commodities.

19 The difficulties they'll have is reaching those
20 last few percentage, and that's something to consider
21 here, because those are going to be in the commodities
22 that don't have good markets right now. Primarily
23 plastics. There is no effective market for -- well,
24 there's some, but very weak markets right now for
25 recyclable plastics.

1 Recovery is something else, that they have the
2 highest level of targets set under WEEE directive for
3 recovery versus recycling, that is at 75 percent. The
4 issue there is that recovery can -- under the European --
5 under the WEEE directive can include mass burn for energy.
6 And yet the question is whether that's something we want
7 to encourage here as a way of reading targets for
8 recovery.

9 I want to skip -- because I know the time is
10 short, I want to skip to just three models that were
11 discussed -- three concept models that were discussed --
12 at least two of the three were discussed previously.
13 There's Holland, Norway, and Switzerland. I think Holland
14 and Switzerland were discussed in brief. But there was
15 also a program in Norway that's been tested.

16 Now, none of these countries as far as I
17 understand are members of the -- are the member states.

18 They also have very distinct difference from
19 California in the sense that collectively their population
20 is far less than California, they really have no
21 manufacturing industry to speak of, and they pretty much
22 are countries that are -- they have -- basically looking
23 at the retail arena.

24 In Norway -- In all three of them, I just wanted
25 to mention, they all have some sort of fee. Norway has

1 the implicit fee. In other words fee buried in the price.
2 Holland has the up-front fee. And I think that
3 Switzerland actually has a tax associated on it.

4 And that's the order that I would -- I mean from
5 our perspective the implicit fee makes the most sense in
6 the sense that it's imbedded, it's the kind of -- in the
7 true sense of a producer responsibility from our
8 perspective it makes more sense to have the fee being just
9 another cost of doing business within the sense of taking
10 responsibility for the product that's being produced and
11 then finding appropriate position for it.

12 The Norway program also seemed to have very
13 effective auditor system. It's an independent third-party
14 auditor for meeting the recycling -- collection program
15 and recycling targets. And it seems to me that an
16 independent auditor has a number of advantages over, say,
17 a governmental auditor or some sort of mandatory audit
18 program. And an auditor that is selected through the
19 producer -- by the producers in their process.

20 And what I mean is that the audit function then
21 could be essentially tied to finding the best possible way
22 of coming up with a recycling program that worked for
23 collection targets without basically being -- with
24 basically having general mandates "Can you meet these
25 targets?" without saying how it's actually implemented.

1 It should be left -- once you had the mandates, you can
2 actually leave it to the producers to figure out how it
3 can be organized to be best implemented.

4 Oh, the other thing, and most importantly on all
5 three of these is that the major way that they're reaching
6 their objectives aside from the metal recycling is through
7 the reading -- recovery objective is through incineration
8 of the recoverable commodities. In the case of -- I think
9 it's in -- well, in all three of them I think they all
10 look to a recovery to a large extent by recycling -- by
11 incineration from -- I think either waste energy or --
12 incineration. And that's something to consider and
13 something I would not -- would like to see as an effective
14 means of recycling or recovery.

15 I think what I could do is rather than -- I did
16 want to -- if I can skip to the last one. I just want to
17 emphasize the key elements of the WEEE directive just to
18 kind of summarize.

19 Slide number 8.

20 --o0o--

21 MR. MILLER: Essentially an up-front payment
22 scheme, the threshold per-capita recovery for collection
23 targets, the auditing of fees and targets, and the removal
24 of hazardous components.

25 The last item alone I think is something that we

1 would feel strongly about as well because if there isn't
2 an effective removal process and an ability to pay for
3 that removal process, again it will fall on the recycler
4 to have to find a way of removing those hazardous
5 components. And it won't -- and unless it's fully paid
6 for, there won't be a market -- a market, an incentive for
7 the recycling process to develop.

8 Thank you.

9 DTSC DIRECTOR LOWRY: All right. Thank you.

10 Mr. Tenbrink.

11 MR. TENBRINK: Just waiting for my slides to come
12 up here. And it looks like we're close.

13 (Thereupon an overhead presentation was

14 Presented as follows.)

15 MR. TENBRINK: My name is Mark Tenbrink. I'm
16 with Micro Metallica. We're a wholly-owned subsidiary of
17 Noranda. And I too would like to thank the various Board
18 members, Mr. Hickox and Lowry, for invited me here to
19 speak. Actually you invited my boss, Steve Skurnack. He
20 was unable to attend, and so you get me. As I just said
21 to Peggy, my boss gets to do the international travel, I
22 handle the state issues.

23 We are owned by Noranda. The horn smelter was
24 the start of Noranda's mining enterprise. It goes back
25 about 70 years. CCR on the map is a refinery where they

1 send their product. The other four dots, stars are the
2 recycle business for Noranda.

3 San Jose's operation, where I'm the operations
4 manager, it goes back to the early '70's. Noranda's
5 sampling was set up also as a precious metal reclaim
6 operation in Rhode Island in the mid '80's. The joint
7 venture with Hewlett-Packard in Roseville goes back about
8 six years. And Deliverin is our most recent addition,
9 going back, having started about a year ago.

10 --o0o--

11 MR. TENBRINK: Asset recovery is probably what
12 people are most interested in. The precious metal reclaim
13 business again is much older, but that's manufacturing
14 scrap. In other words there's existing incentives for
15 manufacturers to handle their scrap and waste materials
16 properly. Asset recovery is more close to the
17 post-consumer markets that we're talking about.

18 We customize our services to the customers'
19 needs. We track assets from the sources, which is again
20 typically manufacturing companies that are collecting
21 these things. And then we offer them two extremes, two
22 different options. One would be to maximize their value.
23 And that would be to resell, retest, refurbish, remarket
24 their materials.

25 At the other end of the extreme would be complete

1 destruction. There's often quite good reasons that a
2 customer would not want maximum value. If it's a product
3 from a warranty return system or something, they don't
4 want it going back out on the market, coming back into
5 their warranty return system again. Confidential
6 information, prototype material, that sort of thing.
7 After complete destruction, what we're doing is shredding,
8 magnetically separating and doing that sort of process to
9 separate out material streams and sending it off for
10 recovery.

11 Next slide.

12 --o0o--

13 MR. TENBRINK: Two slides quickly here about
14 Roseville and La Vergne facilities. I won't read the
15 statistics. But we'll go to the next slide, and you might
16 just compare the numbers there. If we flip back once and
17 forward. And what you'll see is the amount of the
18 investment -- you can go ahead and pull forward again.

19 --o0o--

20 MR. TENBRINK: -- the amount of the investment is
21 substantially less, and yet the capacity is much, much
22 larger. And that represents the learning curve of what
23 we've learned in the business in the last six years.

24 --o0o--

25 MR. TENBRINK: And if we continue, I'll get on to

1 the questions that was asked of us as panelists. And I
2 will come back to some of these other points.

3 First off how do WEEE -- or the
4 WEEE-directive-type program successful in California?
5 We're playing devil's advocate here. And first thing I
6 want to say is Noranda supports improved WEEE collection.
7 This is good for our business, so of course we support
8 this.

9 Now, to again play a little bit of devil's
10 advocate though I'd have to say that within the WEEE
11 directive itself in the preamble, element number 8 says
12 that the objective of improving management cannot be
13 effectively achieved by member states acting individually.

14 I don't want to say that we shouldn't move
15 forward, but I want to say that without a national
16 solution there will be limitations to what we can achieve
17 here in California.

18 Primarily what I'm looking at here is that third
19 point. And, that is, that recycling capability exists.
20 As some of the other members here on this panel all have
21 capabilities, we've got capabilities I've just outlined.
22 We would all love to make investments and improve that.
23 We do need stability. We need more steady sources of
24 material to have incentive to build that capacity. But
25 economics will drive the material to the lowest bidder in

1 many cases, and often that is overseas.

2 We're not opposed to export, per se, but we think
3 there is room to put in standards regarding
4 environmentally sound recycling. We do export, if you
5 will, up to Canada. But we are very proud of the way we
6 manage the materials both here, in route, and in Canada in
7 processes.

8 Next slide please.

9 --o0o--

10 MR. TENBRINK: If we do move forward with a WEEE
11 program in California, how would we make the European
12 model better?

13 To start with, as mentioned previously, the
14 definition is just very wide, very broad. I'd suggest
15 that we start with a narrower definition. The recycle
16 targets are high, again as previously mentioned. Energy
17 recovery will help us meet those targets. I recognize
18 that plastics resin recovery would be a higher and better
19 use. We support that. We're working with various
20 companies to try to develop some of that technology.

21 Frankly, it's just not there yet. And we're
22 trying, but the targets that WEEE in Europe have set there
23 are a little high unless we continue to count energy
24 recovery.

25 The third major concern that I had with the WEEE

1 directive was the pre-treatment standards. They're quite
2 restrictive. Clearly we recognize and support removal of
3 certain hazardous components -- mercury switches, certain
4 batteries could be problematic in our recycling processes.
5 And by all means we would intend to manually separate
6 those out before we do any shredding.

7 But the point here is is that in some versions of
8 this there's a real emphasis on manual disassembly and
9 resale of the components. And it's extremely labor
10 intensive and it's very expensive. And that is what
11 currently drives a lot of this overseas. So if we have
12 unnecessarily restrictive pre-treatment standards, it
13 simply exacerbates the problem of this material being
14 pushed out of California.

15 DTSC DIRECTOR LOWRY: What's an example of the
16 pre-treatment standard that you're talking about?

17 MR. TENBRINK: The one I saw in the WEEE
18 directive was that any circuit board would need to be
19 removed from a material. And then they set a standard of
20 I think 10 square centimeters. What I don't understand
21 about that standard is that -- you know, all of these
22 recycling programs in Europe as well, labor costs are
23 going to be expensive there too. It's after you do a
24 first screening of the truly hazardous components. The
25 basic technology is to shred it up and use mechanical

1 electromagnetic systems to try to separate these
2 materials. And then circuit boards just, frankly, are not
3 worth separating out by hand.

4 --o0o--

5 MR. TENBRINK: The last question that I chose to
6 address was the issue of what's unique to California.
7 Right now of course the Department of Toxic Substances
8 Control is moving forward with universal waste rule
9 regulations. I would just comment that it's potentially a
10 two-way sword. We certainly recognize that it adds
11 publicity and awareness, which is certainly a key element
12 in making collection programs successful. We certainly
13 think it's much better than full regulation as hazardous
14 waste. But we do think that there is a potential downside
15 and, that is, if we start regulating the details of the
16 recycling processes, it adds unnecessary cost.

17 Thank you.

18 DTSC DIRECTOR LOWRY: All right. Thank you.

19 Any questions right now?

20 Let's move on to Steve Wyatt, Computer Recycling
21 Center.

22 MR. WYATT: I have a presentation that should be
23 coming up.

24 (Thereupon an overhead presentation was

25 Presented as follows.)

1 MR. WYATT: While that first screen is going on,
2 our organization is a 501 C3 nonprofit. And so we
3 actually focus more on reuse. We have two programs,
4 Computer Recycling Center, to keep items out of the
5 landfill; and computers and education, to reuse and
6 remarket to schools and nonprofits other usable equipment.

7 The organization is 12 years old. And over the
8 course of last year we handled over 6 million pounds of
9 electronic equipment, which I think is quite substantial
10 from our programs in Santa Clara, San Francisco, and Santa
11 Rosa. And approximately four to five percent of all of
12 those millions of pounds were reusable with a little bit
13 of work. And about 15 to 18 percent was candidates for
14 refurbishment. So, once again, reuse.

15 And so what I'm looking to bring to the table
16 today really is is the idea of the reuse element in all of
17 this and making sure that within whatever redirectives are
18 incorporated for use in California, that we make sure that
19 we have that reuse directive in there, especially for
20 NGO's and nonprofit organizations, the local
21 organizations.

22 The taxpayers, I want to mention, are already
23 involved, especially with the counties and the
24 municipalities because they are required to pay waste
25 charges right now to surrender CRT's, whether they're

1 televisions or computer monitors. So we already have
2 taxpayers, albeit, grudgingly, paying for this.

3 --o0o--

4 MR. WYATT: In terms of the nonprofits and
5 especially with reuse, what they face in problems is that
6 as the public is donating electronic equipment, and it
7 could be individuals or it could be businesses, and the
8 condition could very well be unknown, a majority of the
9 individuals and the businesses giving us the equipment
10 don't want to have to pay a fee for nonworking equipment.
11 We as a nonprofit have to pay market rates for disposal
12 and bear the costs of handling, storage, packaging, and
13 transportation. So, for example, we will go through and
14 we will reuse or we will scoop the cream from the crop on
15 those items, look to see what can be reused beyond that
16 and even what can be reused for parts.

17 But, once again, we have to -- we are a
18 credentialed organization. We make sure that we pay for
19 the proper disposal of items. And we want to make sure
20 that items are taken care of, in North America that items
21 aren't being sent questionably overseas.

22 And, lastly, there's very little financial
23 assistance from waste haulers and from government, fees
24 for E-waste by nonprofits. There have been certain
25 programs that we've participated in over the last year

1 with seven different municipalities around California,
2 some of those which had been funded with their electronics
3 disposal from grants. That was -- funding then went right
4 to the municipality. And of course we were there as a
5 reuse component of the program.

6 --oOo--

7 MR. WYATT: Once again, I'm really happy that the
8 Governor gave this a second chance and -- because I think
9 both Senator Sher and Romero put a lot of collective
10 thought and had a great deal of support for the directives
11 that they were putting forth from their bill. And I know
12 that focusing mostly on CRT's and televisions, that's the
13 area that's most expensive right now and has the highest
14 risk for anybody in terms of reuse. And of course if they
15 want to get rid of them, we want them to be gotten rid of
16 in the correct manner.

17 So in terms of electronic recycling costs and
18 charges for your CRT's, one of the things that we know is
19 that we've seen since August of 2001, when DTSC put their
20 incremental regulations in effect, that the costs have
21 varied by county to county for someone attempting to
22 surrender a CRT or a television and pay for disposal. And
23 the actual future cost of CRT disposal, I don't know that
24 anybody can actually give an accurate figure for what
25 those costs are going to be, if they're going to climb, if

1 they're going to come down.

2 I know that some of the counties that we've
3 spoken to, where we charge the same price that the county
4 does to make it easier for people to drop off at a county
5 facility or at our facility, have told us that the costs
6 are going up. So we know that's going to be taking place.
7 And in some cases that's going to be starting as early as
8 January 1st, 2003.

9 --o0o--

10 MR. WYATT: And from the E-waste stewardship
11 issues, from an NGO or nonprofit standpoint, we believe
12 that there should be a level of producer responsibility
13 and a fund should be created to pay for the proper
14 disposal of items in general.

15 We also feel that the fund should have the
16 highest degree of certainty that will not deplete. We
17 feel that that's extremely important, that any fund that
18 is initiated be well thought out so that it doesn't run
19 short of money. Because I'm sure that the public would
20 once again not want to have to be requested to participate
21 after the fact and pay additional fees.

22 The reason I point that out is that I know that
23 right now we will collect the same fund that we'll have to
24 pay for disposal of items if they don't work. And if
25 there were a program in place where people could surrender

1 their CRT's and televisions at no charge, then I would
2 expect that third-party NGO's would not charge. And we'd
3 want to make sure that if any third-party NGO's were going
4 to charge some fee, even if it was an accommodation fee or
5 a donation fee, that public isn't confused with paying an
6 additional fee for E-waste disposal.

7 --o0o--

8 MR. WYATT: And so, in summary, what we're
9 looking at is is that we're looking at, whatever solution
10 that California goes through, we think that it should
11 include a definition of class levels for E-waste by
12 commodity. We know that the existing legislation was
13 talking about CRT's. But it sounds like a number of
14 organizations are pushing to go beyond the CRT issue, and
15 so we'd like to bring this up.

16 The second would be a way for nonprofit
17 organizations to accept donations at a local level without
18 the penalty of disposal fees and a free recovery program
19 for NGO and commercial recyclers out of that. And I
20 mention that specifically because in addressing two of the
21 questions that you had, looking for a design for
22 environment, I think that it would be important for
23 ongoing funding for nonprofit programs, such as what
24 Materials for the Future Foundation has done in the past,
25 where they've looked to evaluate and report on

1 recyclability rates.

2 And then, lastly, I think that third-party NGO's
3 are among the best collection partners at the local
4 community level to ensure the highest level of reuse and
5 putting -- in reusing the equipment in nonprofit programs
6 and schools, but only if the third-party NGO's would be
7 able to ship along with the municipalities the items that
8 didn't work back to the producers for recycling.

9 And there was one other comment that I was going
10 to make and I forgot it, so I guess that will end my
11 presentation right there.

12 Thank you very much.

13 DTSC DIRECTOR LOWRY: All right. Thank you very
14 much.

15 Mr. Paparian, you have some questions?

16 CIWMB BOARD MEMBER PAPARIAN: Yeah, a couple
17 questions.

18 I think it was Mr. Miller, the issue of
19 incineration being part of the program for the disposition
20 of -- I've read the WEEE directive, and I'm not convinced
21 that that's there with respect to electronics, that maybe
22 it's there with respect to packaging, which is a different
23 directive.

24 But is it your understanding that incineration of
25 electronic components is part of the electronics -- the

1 disposition of electronics waste?

2 MR. MILLER: There are two things. One is the
3 three nations -- Switzerland, Holland, and Norway -- that
4 I was talking about are not part of the EU directive --
5 the WEEE directive. They have their own programs and they
6 try to model with it -- model their programs on the
7 directive.

8 They have a recovery target, not a recycling
9 target, a recovery target which was primarily met in my
10 understanding on the incineration process. And under the
11 WEEE directive I think they say -- they refer to recovery.
12 The definition of recovery is referred actually to another
13 document, which I didn't have and I don't know if the
14 recovery, not the recycling, allows for a waste energy as
15 a means of recovery.

16 And I would think that that would refer to not
17 necessarily the metal -- it certainly wouldn't refer to
18 the metal components. It would be more likely to refer to
19 the plastic components and perhaps -- I would think that's
20 the primary means of waste energy recovery.

21 I do know that back in May there was another
22 forum, a presentation on the WEEE directive in San
23 Francisco. And they also discussed at that time on
24 incineration, waste energy was one of the issues as to
25 whether that should count or does count as a recovery in

1 terms of meeting recovery targets.

2 But I will say that in the states it's my
3 understanding as well that some of the programs that are
4 here in California now use -- I mean when they send their
5 plastic, it is for waste to energy or it is for plastics
6 to energy, if you will, as the means of recovery of waste
7 plastics.

8 DTSC DIRECTOR LOWRY: And you think that's a bad
9 idea?

10 MR. MILLER: Well, I think that it should -- I
11 mean ideally I think that there should be a recycling -- I
12 feel strongly that there should be a market development --
13 a concern for developing the markets for all these
14 commodities, for -- if you can't reuse them, and then for
15 recycling, before you go to recovery by burning. It's
16 not -- in the line of the chain of priorities I think it
17 should be -- recovery by mass burn or incineration should
18 be lower priority than recycling.

19 It's just for the fact that there doesn't exist
20 an appropriate commercial plastics market right now, for
21 whatever reason, that prevents that from happening.

22 Could I also mention while on the subject of
23 market development, because I did -- I meant to
24 mention this before. There's also I think a lack of
25 smelter capacity in and near California, for that matter,

1 to encourage recycling. Right now, for instance, the
2 leaded glass -- funnel glass, for instance, has to go to
3 the East Coast. But for me that's highly inefficient. If
4 you're looking for an efficient means of encouraging
5 market-based approach to recycling these commodities, it
6 would be useful if there was facility developed in
7 California or even a western presence of that kind of
8 market.

9 If I may, the same subject of market, looking at
10 how to make this process more efficient, because I think
11 there was several comments that Mr. Lowry made that I
12 think were useful regarding the hazardous waste aspect of
13 what may be coming down the pike on some of these
14 materials. Again, to encourage the recycling of these
15 components, I think the line of what was happening with
16 CRT was useful, deeming it a universal waste, providing
17 the streamline standards. I think if you would --
18 whatever is determined by the facts as to whether some or
19 all of these materials are hazardous waste, I think to the
20 extent possible the most streamlined approach if you were
21 truly interested in a market-based process that actually
22 works or for encouraging recycling, then I would urge that
23 consideration of -- in one of their tiered permitting
24 process that it be in the tiers, such as conditional
25 exempt or conditional authorized. Otherwise you're just

1 not -- I feel it could be a very large barrier to getting
2 what the objective is, which is recovery of material.

3 CalePA SECRETARY HICKOX: Among you, Mark was the
4 only one to highlight the notion that without a national
5 program there's little that California can do. Do the
6 rest of you agree with that?

7 MR. MCCARTHY: I think California can clearly
8 move ahead on its own. I don't think we need to wait for
9 a national solution. I think what's important though is
10 there's been a lot of discussion through the NEPSI group
11 which can give us a framework to work with them or give us
12 some ideas to build off of. And certainly it's
13 disappointing to me that more of the ideas that have been
14 discussed in NEPSI didn't come out today, because I think
15 there's a tremendous amount of information that's been
16 shared in that forum. It's certainly our company's
17 commitment and it's been so with Mike and others to share
18 data on what programs cost. We've been very open about
19 that. I think we'd like to see that same level of
20 commitment from the other parties.

21 MR. MILLER: I think that the issue of fair play
22 and being on a level playing field, which is provided in
23 the WEEE directive as well in terms of a lot -- requiring
24 these sort of programs in all the member states, not just
25 one or the other, it's a good point. But I think -- I

1 think Senator Sher's point was, in my opinion, the one
2 that kind of trumps that, if you will. I think California
3 is a large enough market and large enough state that these
4 programs are valuable in California at the very least as a
5 crucible to see what works and doesn't work before -- I
6 mean they could always change the California requirements
7 at some point. But I think it's time to start developing
8 these markets here. And So I would not agree with waiting
9 for NEPSI to --

10 MR. WYATT: California's a large enough market
11 that we can do this. This is a very broad problem. It's
12 both on the international level and it's on the local
13 level. And as a matter of fact, you know, you see where
14 it is being driven home because it's impacting businesses,
15 it's impacting people at the local level, it's impacting
16 municipalities, and it's impacting groups that want to
17 speak about this because they see it happening. And so
18 California being the economy that it is, having the
19 electronic infrastructure that it does, having the
20 businesses and many of those electronics companies having
21 major presences in California, it's not only necessary,
22 but any legislation even with as many bugs worked out of
23 it is always open for amendment, and so we literally have
24 to start somewhere. That's the only way we're going to
25 get into this, is by jumping into the pile, starting to

1 pull out with the best of intentions and making the
2 corrections as we go. I know that Senator Sher and Romero
3 have done a lot of investigation in this, and so I believe
4 that we're starting at a very high level to begin with. I
5 believe that we're starting with a great deal of knowledge
6 base. This is not something that has not been thought
7 through very well.

8 DTSC DIRECTOR LOWRY: Anything else from the
9 panelists or --

10 MR. TENBRINK: If I might, I just -- I hope I
11 wasn't misunderstood regarding national solution. I don't
12 mean that in any way to say that we shouldn't move forward
13 or that this isn't a priority. My point would be that
14 there are a lot of issues here, as the interchange between
15 Ted Smith and Senator Sher. And the simpler, the better,
16 perhaps. And the more uniform across the states and then
17 the more you can engage with NEPSI or the way EPA is going
18 in. And I would draw particular attention again to the
19 way these materials are regulated under the hazardous
20 waste classifications. There's is precedent at EPA
21 regarding how these materials should be regulated.

22 DTSC DIRECTOR LOWRY: All right. Scott.

23 MR. MILLER: A couple of points that I forgot --
24 that I wasn't clear about, I think, before. One is on the
25 issue of outside auditors, which I think is the auditor's

1 question, whether it should be someone from the state
2 versus an outside. We feel strongly that, through our
3 experience through the bottle bill, that the outside
4 auditor would be a much more efficient approach than a
5 state representative.

6 We're very active in the California redemption
7 program in terms of being both a recycler and a processor
8 of the materials. And the means of calculating the
9 various true costs and the means of oversight are -- I'm
10 trying to be fair about it, but it's a very cumbersome
11 process as it's configured today. And it does not
12 reflect -- has not led to the true costs for the program
13 being provided for at least with respect to those two
14 categories, the recycler or the processor.

15 The other thing in terms of market development
16 is -- I think a couple people mentioned it in the
17 environmental group's presentation about prison labor.
18 And we also feel that that is -- we have not stated a
19 position on it because it may be the only -- if it
20 continues this way, it will probably be the only game in
21 town. But I have to say that it does seem to be an unfair
22 mechanism in terms of it's not a true market process.

23 The cost of labor, for one thing, and the
24 question about whether they have the same level of
25 standards with respect to environmental and safety

1 compliance are out there. And if you're truly interested
2 in developing a producer-based market system that's
3 efficient and cost effective, I would have to give second
4 thought to that.

5 But on the other hand, support the possibility
6 that -- I think an export market -- to abandon all export
7 markets would as a general matter would make no sense
8 because there are many scrap commodities -- scrap metal
9 commodities that are very efficiently sold to smelters
10 throughout the world. Now, I do agree, however, that some
11 standards and controls that apply to the states should
12 equally apply to export recipients.

13 DTSC DIRECTOR LOWRY: All right. Thank you very
14 much gentlemen.

15 Our next panel comes from local government. And
16 I think -- you know who you are, but I will read your
17 names anyway.

18 Laura Wright from the Pittsburg Environmental
19 Affairs Division, city of Pittsburg; Jim Hemminger,
20 Regional Counsel for Rural Counties; Mike Dorsey from San
21 Diego Department of Environmental Health; and Sharon
22 Dowell, Santa Clara Department of Environmental Health.

23 MS. DOWELL: My name is Sharon Dowell. And
24 thank you for the opportunity to speak today.

25 I work for the Santa Clara County's Department of

1 Environmental Health as a Hazardous Materials Program
2 Manager. Today, however, I'm not here representing the
3 county, but I'm here as an individual who is familiar with
4 both household hazardous waste and E-waste collection
5 issues.

6 Last spring the Waste Board did a survey asking
7 local government for input on E-waste management issues.
8 Not surprisingly financing was the number one issue.

9 Local government results showed strongly that
10 they wanted a front-end financing mechanism, and they
11 thought that producers needed to be responsible for
12 E-waste recycling.

13 Increasing garbage rates to cover the cost of
14 E-waste recycling is not a viable option for local
15 governing boards. And these costs can't be absorbed into
16 current recycling and refuse budgets.

17 However, local government is the default
18 collector and manager of illegally disposed E-waste. And
19 as you can imagine, the illegally disposed waste is the
20 most expensive collection model of all.

21 I believe that the European WEEE model could work
22 for California. It seems though that it could be improved
23 by broadening the collection services.

24 I would like to see local government existing
25 infrastructure included. However, local government will

1 not be enough. We're going to need other collectors
2 because of the volume of E-waste and because of the need
3 to provide convenient service.

4 I also believe that whoever the collectors of
5 E-waste are are going to need to be reimbursed for this
6 service in order to create a sustainable collection
7 infrastructure.

8 Another aspect of WEEE that could be enhanced is
9 the educational program. I agree that producers have
10 responsibility for education. But I also think that the
11 State of California could take a good lead role in the
12 educational process. They've been very successful in
13 doing consumer education for beverage recycling and for
14 energy conservation, and could do the same for E-waste
15 issues.

16 I am concerned and would like to bring up the
17 issue again about orphan and legacy wastes. I wouldn't
18 want these to be overlooked when we're setting up a system
19 to deal for future E-waste collection and payment.
20 Californians are stockpiling wastes, and eventually these
21 wastes are going to get into the collection system and
22 pose an enormous financial burden.

23 I'd just like to mention that Canada runs a very
24 successful third-party organization for the recycling of
25 household hazardous waste. And it might be a model

1 because it allows both collective and individual producer
2 responsibility.

3 Design for the environment is a critical element
4 of any producer responsibility model. When California's
5 program is implemented, incentives or requirements for
6 product design should complement and enhance those in the
7 European model. If Europe and California can agree on
8 product specifications, we are a force large enough to
9 drive the international market. In the long term,
10 individual producers will be rewarded with a competitive
11 advantage for design for the environment.

12 However, I realize that more is needed than that.
13 Local government purchasing policies should be designed to
14 reward companies. And these procurement guidelines should
15 also complement the objectives of the European model.

16 With the household exemption for consumer
17 electronics and the universal waste ending on February
18 2006, local government needs a solution now. We can't
19 afford to wait for a national program.

20 Thank you for the opportunity to comment. And I
21 look forward to working with you on a California solution
22 that could be used for a national model.

23 DTSC DIRECTOR LOWRY: Thank you.

24 Questions from the panel?

25 I have just one question. You stated that,

1 contrary to I think what at least one of the industry
2 representatives said, that raising fees for local waste
3 pick up is not the answer.

4 Can you expound on that a little bit?

5 MR. DOWELL: It has to do with the fact that
6 garbage rates are sort of like a tax payer fee because
7 everybody has garbage service whether or not they're users
8 of the electronic products or not.

9 DTSC DIRECTOR LOWRY: Isn't it fair to think
10 though that everybody has a PC and they're going to get
11 rid of it at least some point? Why shouldn't they pay for
12 it that way as opposed to going through all the enormous
13 hoops we're going through to figure out how to pay for it
14 otherwise?

15 MR. DOWELL: I think that in this economy in
16 particular there is a real reluctance for local governing
17 boards to make that kind of decision. And the
18 responsibility really belongs with the user and not the
19 general garbage rate payer.

20 DTSC DIRECTOR LOWRY: Okay.

21 Laura Wright, I think you're next.

22 MS. WRIGHT: Good afternoon. Thank you for
23 having me here today. My name is Laura Wright. And I
24 oversee the city of Pittsburgh's Environmental Affairs
25 Division.

1 Today not only will I be speaking on behalf of
2 the city, but on behalf of some of my colleagues in Contra
3 Costa County.

4 Contra Costa County has a population of
5 approximately 950,000 people of many different ethnic and
6 socio-economic backgrounds. We began discussing the
7 E-waste problem back in January with a roundtable meeting.
8 The participants included everybody from County Health
9 Department LEA, County Hazardous Materials Program, our
10 three household hazardous waste facilities, the County
11 Solid Waste Department, Central Contra Costa Solid Waste
12 Authority, West County Integrated Waste Management
13 Authority, the cities of Antioch, Brentwood, Concord,
14 Pleasant Hill, Pittsburg, Martinez, San Ramon, our
15 agencies' haulers, as well as DTSC and Integrated Waste
16 Management Board.

17 We explored the issues as outlined, and we also
18 found some solutions. We came up with an E-waste logo for
19 our county and brochure information to promote collection
20 events and drop off locations, thanks to the city of San
21 Ramon.

22 Some jurisdictions have collection events. One
23 authority does collect E-waste from its service area.
24 However, many jurisdictions are unable to provide these
25 services. We can continue to discuss and work together to

1 find solutions to this problem. So, therefore, some of my
2 colleagues have contributed their thoughts to the subject
3 at hand.

4 The European model conceptually addresses many
5 good key concepts important to the environmental well
6 being of this State. The concepts of recovery, reuse,
7 best management practices, less tox alternatives are
8 within the spirit and philosophy of Cal EPA. However,
9 many specifics have been left to the individual members or
10 governments to establish. This would be the same in
11 California.

12 To do this successfully it needs to be a
13 partnership with all stakeholders involved today. The
14 issues such as infrastructure are very critical. Although
15 this model has responsibilities from the producers of
16 electronic and electric waste, government is still and
17 will be playing an essential role for the oversight of
18 this implementation.

19 With this in mind, the number one issue will be
20 infrastructure, not only for the collection of E-waste,
21 but for the establishment of locations to recycle.

22 One-on-one collection as in the European model
23 may not assist with all the venues selling electronics
24 since electronics can be found at local markets, gas
25 stations, and at trade shows as giveaways. And what about

1 electronic toys?

2 Types of collections that may assist with this
3 may fall easily within the guise of a 2020 DOC model or
4 that of maybe, for example, like good-wills industries as
5 possible examples.

6 In addition, the locations of facilities that
7 process the volumes of E-waste as distribution centers or
8 new recycling facilities will be needed to undertake the
9 volumes of E-waste. This would also be beneficial for
10 retailers to backhaul electronics if enough centers
11 existed, with this in mind to meet the demands that the
12 crisis will unfold onto the state. And it is nearing a
13 crisis with the additional materials to be banned.

14 To assist with the establishment of new recycling
15 facilities and/or the distribution centers'
16 need-to-be-managed E-waste, streamline emergency
17 permitting will be needed. This will be beneficial by
18 assisting manufacturers and third-party organizations to
19 work through the process more efficiently and expedite the
20 establishment of vital processing facilities to be
21 constructed. This would also enabled facilities to be
22 created on the West Coast for a change instead of shipping
23 materials to the East Coast and adding additional costs.

24 Which leads me to third-party organizations.
25 This would be vital to the successful implementation of

1 managing the volume of E-waste material and processing it
2 for reuse and recycle. An example that comes to mind is
3 the RBRC program. The Rechargeable Battery Recycling
4 Corporation, as I recall, is funded by industry. The
5 collection and processing of nickel cadmium, nickel metal
6 hydride, lithium, and sealed low gel cell batteries banned
7 from landfill is paid for by industry in order for these
8 manufacturers to purchase back cadmium and other precious
9 metals.

10 This has been an incentive for those industries.
11 The combination and network of retail outlets that have
12 collection boxes in the numerous household hazardous waste
13 facilities that have sent material through the RBRC
14 programs demonstrates a type of infrastructure that
15 collects items that are not supposed to go into landfills
16 at no charge to the consumer.

17 It also demonstrates the use of third-party
18 organization retail outlets and government working
19 together.

20 With regard to incentives and responsibility,
21 this has been an interesting dialogue among my colleagues.
22 Some felt it was industry's full responsibility since they
23 created the material. Some felt it should be shared.
24 Some said it should be industry's responsibility with the
25 support and infrastructure by third-party organizations,

1 which I'm inclined to lead towards.

2 However, in the overall scheme the public blames
3 government creating and allowing the situation to become
4 this crisis and feels it's government's responsibility to
5 force industry to be responsible and take it back at no
6 cost.

7 The negative public pressure however can be
8 turned around as marketing incentive.

9 With the United States in a recession and
10 promoting of consumer spending, it is difficult for some
11 of us to rally behind the concept of consumer spending or
12 more stuff to buy because it goes against many of our
13 philosophies about reduce, reuse, and repair.

14 However much stuff do we really need, as I am
15 reminded by a friend. Well, our society will probably
16 never revert back to the moral economic crisis our parents
17 and grandparents faced during a depression and World War
18 II, where everything was reused or collected for recycle,
19 with resources scarce as we were not able to go to other
20 parts of the world. This philosophy needs to be embraced
21 again by our country.

22 With the amount of national resources being
23 buried in landfills and our continued reliance on other
24 countries for these natural resources is graceful.
25 Throwing away metals and precious metals that were

1 stripped out of the earth with extreme environmental
2 cruelty, only to be buried and never recovered again, is
3 embarrassing.

4 Industry could create a new marketing campaign
5 and keep spending going, but with emphasis to bring us to
6 our old so we can recycle into the new. Promoting design
7 for the environment is our only answer to survival and
8 addressing this crisis.

9 Under the federal law banning batteries from
10 landfill, designing the removal of batteries easily from
11 equipment was written into this law. And industry
12 engineers and designers answer the call with great ease.
13 Look at how the cell phone has evolved over this law.

14 We again need to allow our designers and
15 engineers to use their expertise and creativity to design
16 electronics and electric equipment to be recycled easily.
17 Some may scoff and instantly say the cost will be
18 burdensome for the consumer, but this always seems to be
19 the response. There is a higher obligation.

20 Matsushita Electric Industrial Company, known for
21 its Panasonic brands, has designed a system capable of
22 separating flame retardants which contain bromated
23 compounds for use of plastic as part of its recycling
24 process.

25 Plastics containing flame retardants are said to

1 generate bromated dioxins when incinerated at low
2 temperatures. And for this reason plastics containing
3 these compounds have been discarded.

4 After reading this article late Thursday night I
5 thought of the question at hand about incentives and
6 design for the environment and asked myself, "What was
7 their incentive and reason?" What do you think?

8 The European model has a symbol to identify
9 materials not for landfill. Symbol not only as a reminder
10 of material being banned from landfills, but to promote
11 environmental projects should be designed.

12 Two examples. RBRC program has a symbol to
13 remind individuals to remove and recycle the battery.
14 This symbol is placed on products by the industry and is
15 emphasized in reading information. We encourage -- or we
16 need a strong symbol also, but preferably not like the
17 European model.

18 The other example to promote environmentally
19 friendly designed equipment and electronics for recycling
20 within the new order might be fashioned similarly to the
21 Energy Star label. People seek it out. And now it seems
22 that all equipment has been designed to meet those
23 standards.

24 Both these symbols should be a permanent nature,
25 either as a hot stamp or a laminated tag.

1 The documents include many statements that member
2 states or government shall encourage, shall adopt, shall
3 ensure, et cetera, et cetera, with reference also to
4 inspections and monitoring, establishing locations and
5 whatnot.

6 Since the Governor stated he did not want to
7 create 64 new positions when he had been directed to cut
8 7,000, I'm not sure how we're going to implement this
9 infrastructure, but I'm sure it will rest on the
10 responsibilities of local government.

11 Will local solid waste personnel add these
12 responsibilities, local enforcement agencies, the CUPA's?
13 I'm not sure how these how these responsibilities will be
14 directed, but I am sure local government will be
15 responsible for these duties with no funding support for
16 these additional mandates.

17 DTSC DIRECTOR LOWRY: You mentioned one local
18 jurisdiction which collects electronic waste now within
19 Contra Costa County?

20 MS. WRIGHT: There's a couple actually, they're
21 trying to -- there's one that collects it automatically
22 from its service area if you bring it over to their
23 household hazardous facility. And then the other has sort
24 of mobile programs.

25 DTSC DIRECTOR LOWRY: Where are they? Which

1 jurisdictions?

2 MS. WRIGHT: Which one?

3 DTSC DIRECTOR LOWRY: Both of them actually.

4 MS. WRIGHT: Oh, the one is over in our western
5 county, it's a JPA. So they only service five cities in
6 that area unless it's in cooperation with others in that
7 area. Then the other is in central Contra Costa with --
8 teaming with the city of San Ramon.

9 DTSC DIRECTOR LOWRY: How do they pay for this?

10 MS. WRIGHT: Out of their -- well, I can't speak
11 for them. But I believe -- and they might want to
12 clarify, because one of the agencies is here today, could
13 answer that -- it is through there because JPA's are set
14 up differently where the cities fund into their system.
15 And that provides a little bit of uniqueness.

16 DTSC DIRECTOR LOWRY: All right.

17 MS. WRIGHT: Financing for additional costs
18 incurred by the industry will be recovered through the
19 purchase of products. To keep in the spirit of no cost to
20 the consumer for recycling, government technically can't
21 charge. Maybe a compromise can be reached and some
22 responsibilities be placed upon the state since we as well
23 do not have the funds for the new mandated programs and
24 are cutting back our budgets and doubling up on
25 responsibilities.

1 Since the public ban on CRT's and landfills the
2 transfer stations began charging for these items. Local
3 government has incurred the cost of illegal dumping of
4 these materials within their jurisdictions, and this needs
5 to be kept in mind as new legislation is drafted.

6 One last item, an issue of historical waste, the
7 European model believes that this should be shared by all
8 producers. And, agreed, it should be during the
9 transition into new design equipment. And possibly it
10 needs to be considered as a future model.

11 It also discusses sharing information to
12 consumers voluntary about the cost of collecting,
13 treating, and disposing. This information to be allowed,
14 but it needs to be universal and possibly designed by the
15 state. I'm not trying to take away from our local
16 governments' designing their own campaigns, but once we
17 have a universal message we can develop ours from there.
18 It's important that the message come from the state. But
19 the timing's essential because if it comes too soon before
20 the infrastructure or even a temporary infrastructure can
21 be established, it could backfire on to local government.

22 But a universal campaign on the dangers and
23 importance of recycling electronics and electric equipment
24 and what we in California along with manufacturers and
25 recyclers are doing to address the problem would be

1 constructive. I believe the European model has similar
2 requirements. And not only would a statewide campaign be
3 conducted, but a CD sent to the local governments with the
4 same information to be produced locally.

5 We tried to address all the questions. We hope
6 the ideas can start a new dialogue and create a new bill
7 to address the crisis effectively so the Governor will
8 sign it next year and we can start doing what is good for
9 us and our environment.

10 Our world is very small and precious. And as I
11 told some kids in an afterschool program on America
12 Recycles Day, waters cover 71 percent of the earth,
13 leaving 29 percent to land, not all of it accessible. If
14 we keep stripping the earth of these resources, not all of
15 them renewable, what will happen in the future?

16 So to keep in the spirit of America Recycles Day
17 let us find solutions to recycle, rebuy electronic and
18 electric equipment.

19 Thank you.

20 DTSC DIRECTOR LOWRY: Thank you.

21 Okay. Mr. Hemminger.

22 MR. HEMMINGER: Thank you. I'm representing the
23 Regional Counsel of Rural Counties, which includes 30 of
24 California's rural counties. We represent just about 5
25 percent of the population of California, but it is about

1 50 percent of the state's land area. Their population
2 cumulatively comes pretty close to Contra Costa County.

3 I did have a brief outline, which I put at the
4 table outside, to go through some points in my
5 presentation. I'll try to go through those quickly. They
6 maybe touch on some of the other issues that have been
7 discussed a little more at length today.

8 As has been mentioned, the role of local
9 government is key with respect to electronic waste or any
10 other type of municipal solid waste. Statutes and legal
11 responsibilities are clear that once the recycling
12 industries and manufacturers and all do their part, the
13 bottom line it does fall onto local government to manage
14 some municipal solid waste properly. We're the entities
15 that do have ultimate liability for any sort of
16 third-party pollution that may emanate from landfills.
17 And with that, certainly support any efforts to reduce
18 toxicity.

19 Overall the rural counties do support the goals
20 that were laid out in the Governor's veto message, those
21 of efficiency, cost effectiveness, and minimization of
22 bureaucracy, as Laura mentioned both at the state and I
23 assume at local government level.

24 Aside from the statutory requirements, our
25 citizens, especially in rural counties, do look to rural

1 government to handle or provide the answers for what to do
2 with their wastestream. It's local governments -- if the
3 computers or CRT's end up alongside the road, it is the
4 responsibility of local government to handle those.

5 Broader scale, local governments do have
6 responsibility for what I call preserving the quality of
7 life within their areas. A lot of the rural counties are
8 some of the most pristine areas of California. And the
9 counties are committed to maintaining a high environmental
10 quality.

11 With that, we're very much interested in working
12 and being partners with Cal EPA and with the Legislature
13 to come up with solutions to the E-waste problem.

14 In rural counties there has been a sharp increase
15 in the use of high tech devices. Lagging a little bit
16 behind urban areas, I think this has been a little bit due
17 to their advances in satellite equipment. Many of us now
18 have our DSS satellite dishes. A lot of folks are able to
19 communicate electronically through satellites. There's
20 been extended cell phone coverage, so a lot more people in
21 rural areas are buying cell phones. Also we are finding a
22 lot of folks, and this is probably expected to increase,
23 from urban areas are bringing their E-based -- home-based
24 E-businesses to rural California along with their
25 electronic equipment. Like the rest of California, there

1 is a backlog of legacy E-waste.

2 More so than the rest of California though I do
3 think rural California buys its computers on-line. Most
4 rural counties don't have Best Buy, most of us don't have
5 a Circuit City. Several of the rural counties don't even
6 have K-Mart, don't even have Wal-Mart. So we're lacking
7 the large retail outlets.

8 And the other thing I did want to mention too
9 is -- we moved forward with, which underscores I guess the
10 urgency of putting together some type of program, is the
11 adverse effects particularly in rural counties I think
12 that we experience as a result of imposing regulations
13 before we do have an adequate infrastructure and program
14 in place through illegal disposal, through diversion of
15 funds from other programs in order to handle new
16 regulations.

17 And we do hope the regulations move forward in
18 concert with the infrastructure that's needed to support
19 the regulatory prohibitions.

20 I talked about what's effective, what type a
21 model would work the best. Nothing particularly profound.
22 It needs to be cost effective, as the Governor
23 acknowledged. And there does need to be convenient
24 drop-off collection locations. To a large extent I think
25 that's why our used oil programs and a lot of HHW programs

1 have worked. People don't have to pay to dispose of these
2 materials. And with grant funding we were able to set up
3 convenient collection points or collection programs to
4 handle these. Although there's still challenges, to a
5 large extent I think these programs have been successful.

6 We also need to inform the public,
7 concentrating not only what not to do, but also on what
8 they can do. One of the challenges in the rural counties
9 is getting information out to people. By now they know
10 they shouldn't put the paint in the landfill, they
11 shouldn't put their oil as dust control on their driveway.
12 But the challenge is to get to them and let them know
13 where they can bring these materials, where is the closest
14 used oil collection center.

15 And of course perhaps most importantly is the
16 need for funding for program implementation,
17 administration, monitoring.

18 And maybe to answer Mr. Lowry's question a little
19 more specifically, the rural counties financing is the
20 key. Different folks have said it's a shared
21 responsibility and we all need to pay our fair share. And
22 it's difficult to argue there.

23 But the problem with rural counties isn't one of
24 philosophy, nor is it one that we don't play nice with the
25 other stakeholders. The fact of the matter is the funding

1 isn't there. Most people in rural counties self-haul
2 there waste. So unlike urban areas, which have mandatory
3 curbside programs, with some degree of elasticity in the
4 pricing you can -- people may complain, but if you up the
5 cost, they still have to pay into the program. In the
6 rural counties with self-haul, that's not the way it is.
7 If you increase the gate fee, people have the option of
8 illegal disposal.

9 It's been suggested that you need to do more
10 efforts to control the illegal disposal. Inyo county, the
11 second largest county in the state, 98 percent of its land
12 area is owned by government entities not including Inyo
13 County. Ninety-five percent of Del Norte County is
14 government-owned lands. So the difficulties of preventing
15 illegal disposal are daunting.

16 We used to be able to be about to before Prop 218
17 to collect parcel fees, which work very well in rural
18 counties. That was an obligation that folks had on their
19 tax bill. And If you increased your parcel fee, you would
20 have money to fund programs. Prop 218 essentially -- I
21 was going to say make it illegal -- but it requires a
22 two-thirds vote of the people to impose that. Very
23 difficult to achieve. So the money for the program just
24 isn't there and local government, especially the rural
25 counties, does not have the resources to get the money

1 necessary for the program.

2 It was suggested that part of our shared
3 responsibility in the rural counties is to provide for the
4 collection program. I think either Sony or H-P suggested
5 it be local government because they didn't have expertise
6 in that area. None of us have expertise in E-waste
7 collection. And the fact of the matter is it's the
8 collection part of the equation that is the most gnarly
9 and perhaps the most expensive.

10 Once things are together in a consolidated place,
11 say, in Redding, it's fairly easy to ship it down to a
12 processing center. The challenge is getting out of the
13 peoples homes in Modoc or Siskiyou County to a centralized
14 collection point. Getting it together, putting it on
15 pallets, shrimp wrapping it and then finding a trucking
16 company to load it together and get it to the consolidated
17 point.

18 To me the key of our program is going to be the
19 collection program. And we are going to need financial
20 support at the local government level in order to do that.

21 Comments I guess too which -- One, I appreciate
22 being invited here. And to me that's a recognition of the
23 regulatory agencies, of the challenges that rural counties
24 face, and inclusion of us into the solution.

25 People keep talking about the level playing field

1 which you have to support. But the level playing field
2 with a zero gradient oft time seems steep to some of our
3 rural counties. And if we can work together to put this
4 forward, rural counties have probably more incentive than
5 most in seeing that a successful program is in place. We
6 don't want the computers in the national forests, but we
7 do need help. And we appreciate the commitment I've heard
8 today from the regulatory agencies and from Mr. Sher to
9 assist the local governments by providing markets, by
10 working with industry, by helping set up the
11 infrastructure, and helping to provide the funding that
12 will be necessary for us.

13 And for that, I thank you for very much.

14 DTSC DIRECTOR LOWRY: All right. Thank you, Mr.
15 Hemminger.

16 I have one question, which is an attempt to
17 invoke levity here. Is it true that if you get a
18 Nordstrom's in your county, you're out of the rural
19 county --

20 (Laughter.)

21 MR. HEMMINGER: Yes, I was also going to inject
22 some levity.

23 (Laughter.)

24 MR. HEMMINGER: But was glad when a lot of the
25 sheepherders in our county were very pleased to find out

1 that they weren't being targeted out specifically as a
2 part of your U-waste regulations.

3 (Laughter.)

4 DTSC DIRECTOR LOWRY: Thank you. Your joke was
5 better than mine.

6 Let's move to Mr. Dorsey.

7 MR. DORSEY: Good afternoon. My name is Michael
8 Dorsey. And I'm the Chief of the Hazardous Materials
9 Division for the County of San Diego. I'm wearing two
10 hats today. One, for the County of San Diego Department
11 of Environmental Health and also as the Chair of the
12 California CUPA Forum.

13 Just to give you -- My discussion will be
14 somewhat in relationship to local issues and also some in
15 relationship to regulatory issues, broad-based, for all
16 the CUPA's.

17 To give you a little local flavor, we have
18 household collection within our county. It's a regional
19 approach. We have a county and 18 cities. We have two
20 LEA's, the city of San Diego and the County of San Diego.
21 And we have one CUPA; that being the County of San Diego
22 Department of Environmental Health.

23 Recent overview impacts to the San Diego region
24 itself, during the past year we estimate that San Diego
25 area local government collection programs have accepted

1 over 6,000 CRT's for recycling and a grand total of about
2 500,000 pounds of electronic devices, including CRT's from
3 residential sources.

4 The cost of that this year has been \$165,000.
5 That \$165,000 cost is related only to collection events,
6 not educational outreach, not picking up orphan CRT's
7 along the road or et cetera.

8 DTSC DIRECTOR LOWRY: Can you say that again.
9 What was the cost and what did it include?

10 MR. DORSEY: \$165,000.

11 DTSC DIRECTOR LOWRY: And what did that pay for?

12 MR. DORSEY: That paid for collection events.
13 Those are mostly block grants from the Integrated Waste
14 Management.

15 DTSC DIRECTOR LOWRY: All right.

16 MR. DORSEY: And in addition to that -- it didn't
17 cover the additional labor costs that we gave as in-kind
18 in many of these events.

19 Taking into account state and federal generation
20 estimates, this would be -- we basically feel we captured
21 a rate of about four percent of the total residential
22 E-waste in the San Diego region. Local recyclers perhaps
23 collected another two to four percent in residential
24 sources. That leaves about 90 percent of waste
25 electronics either being stored, disposed of in solid

1 waste landfills, or otherwise improperly handled.

2 At current generation rates and recycling
3 management costs it would cost -- we estimate it would
4 cost approximately \$3 million annually just within our
5 region to properly manage all waste electronics in the
6 region. This does not include increased public education
7 efforts, staff time involved with local E-waste management
8 planning the program, implementation efforts, or potential
9 impacts for CUPA enforcement.

10 Ultimately the increased burden on local
11 governments in the management of electronic waste would
12 significantly impact our current resources.

13 I have some specific comments with regards to the
14 European WEEE documents.

15 Coordination. Within the document there's a
16 statement that was mentioned: "Management of WEEE cannot
17 be achieved by member states acting individually." I know
18 there's been a lot of discussion about coordinating
19 nationally and internationally. We do feel that's still
20 important. We don't feel that California should step back
21 and wait because we know that the federal government
22 always is a lot slower than California and we also lead
23 the way. But we should still continue that effort to
24 bring the federal government on board with us.

25 We know we can still do it. We do have, you know

1 non-RCRA and RCRA waste in our waste program. So it's not
2 something we can't do.

3 In regards to toxicity, the European Union's
4 restriction on hazardous substance directive identifies
5 specific toxic components that are to be eliminated in a
6 specific period of time from electronic components.

7 We believe that DTSC should also identify heavy
8 metals or other toxic components that should be eliminated
9 from electronic components.

10 The best way to prevent things from going into
11 the landfill is to engineer them out. And so by doing
12 that, if you get it on the front-end by substitution, this
13 can certainly eliminate a lot of the waste maybe going
14 into the landfills or as hazardous waste.

15 What we don't want is substitutions similar to
16 what happened with underground storage tanks. We don't
17 want another MTBE situation. So substitutions needs to be
18 good substitutions.

19 Currently the DTSC has the emergency regulations
20 for -- or actually draft regulations for E-waste. We
21 would suggest that the DTSC or the manufacturer set up
22 sort of an MNDS-type process where they determine which
23 electronic components currently have toxic substances of
24 concern and identify them as hazardous waste, rather than
25 placing that burden on individual businesses which as a

1 result falls back on local agencies on determining whether
2 individual businesses have actually identified their
3 components through a waste determination process
4 correctly.

5 DTSC DIRECTOR LOWRY: Have you given any
6 thought -- because I've heard this before and I've thought
7 about it a little bit. I've got Palm 3XE here. Shows you
8 what our budget is all about. Somebody else has a Palm 5
9 or Palm 8 or something.

10 How do we determine that this is hazardous and
11 the Palm 8 isn't, and so forth, without having our lap
12 grinder running day and night for a new thing that you
13 find in your K-Mart or your Circuit City?

14 MR. DORSEY: Well, I think there's a couple of
15 options one is to ask the manufacturer what the components
16 are of that particular element. They should know what
17 they're putting into their product and they should be able
18 to give you an idea whether there were toxic components
19 within their product. But if you don't do the testing or
20 the manufacturer doesn't do the testing, that leaves it up
21 to individual businesses to do -- each to do a test to
22 make that determination. And they can't make that
23 determination by knowledge of product unless they ask the
24 manufacturer in the first place. Or else they do a waste
25 determination.

1 So instead of having multiple businesses do waste
2 determinations, that should either be done by the
3 manufacturer or by the state.

4 Financially we think that front-end fees on
5 electronic equipment and components as well as producer
6 sharing in the cost of recycling and reuse and disposal of
7 historic and orphaned waste is the most appropriate
8 financial approach.

9 Front-end fees are the best approach. Back-end
10 fees are not the best approach because homeowners,
11 residential, commercial people do not want to pay back-end
12 fees. They'd rather pay front-end fees. I think we all
13 know as homeowners, if you go to a dry cleaner, you look
14 at your dry cleaner bill, you're going to see a waste fee
15 on your dry cleaner bill. You're going to see a waste fee
16 when you change your oil. You're going to see a waste
17 tire fee. So this is already established within
18 California. And businesses are already passing this on to
19 the consumer at the front-end.

20 Household -- whatever comes out with these fees
21 should go to continually support household collection
22 events.

23 We cannot get money from local -- at local
24 government levels to support our collection events.
25 Again, it was mentioned before with regards to local

1 government -- or actually local elected officials, they're
2 not really enthusiastic about raising taxes, and which
3 they consider this to be a tax, or raising fees for local
4 businesses. So whatever is developed at the front edge
5 should include those costs that are addressed for
6 household hazardous waste as well -- household collection
7 events for electronic waste.

8 Education. Timing of education, the message is a
9 dilemma. And certainly we need to get the message out to
10 the general public as to what these components are and the
11 hazards of these components. At the same time we need to
12 make sure that the infrastructure's in place in order to
13 collect these components. So the timing of that education
14 is very important.

15 There was discussion regarding the marking of
16 this particular equipment or electronic components with
17 the identification of the hazardous substance. This is a
18 very delicate issue as well because it can lead to either
19 apathy by the general public or it could lead to general
20 fears by the general public that may not be warranted.

21 Again, many of these components are hazardous
22 once they leach out in the environment. But they don't
23 have acute or chronic effects generally to the person who
24 is handling them. So the education approach must be done
25 appropriately.

1 And perhaps something similar to what was done
2 with Prop 65, the state hotline or industry-type hotlines
3 where people could call up and ask more direct questions
4 about the toxic components within the actual electronic
5 component.

6 We are concerned about historical and
7 orphaned-type materials, particularly regarding illegal
8 dumping. Again, residents will not pay for the disposal
9 on the back end. Residents want easy, accessible pick up,
10 and they want to be able to just drop it off.

11 Not having that, the option for them sometimes is
12 just to dispose it up in a canyon or leave it along the
13 streets somewhere. That leaves public works agencies or,
14 in many cases, particularly if we start seeing these
15 things labeled as hazardous substances or hazardous waste,
16 emergency responders having to respond to pick up these or
17 deal with these types of situations. So it's important
18 that we have some way to collect and handle the historic
19 and orphaned-type materials.

20 Regulations. There was some discussion -- and I
21 heard Mr. Lowry mention that the E-waste program itself
22 will probably be the same size or larger than our current
23 hazardous waste program. When you think about that,
24 that's undaunting, particularly for local government which
25 has a very difficult time now with limited resources and

1 having to handle our own hazardous waste programs and
2 enforcement programs that we do right now.

3 So this is a challenge. The challenge is to
4 provide some sort of nontraditional method of regulating
5 E-waste without placing undue burden on state and local
6 agencies whose resources are taxed.

7 We have to make decisions now because of our
8 resources. We don't want to have to be able to take
9 resources out of situations such as plating shops and
10 environmental justice areas or underground storage tanks
11 that are leaking into groundwater areas. We need to be
12 addressing those types of areas.

13 If we don't have the resources to address those
14 types of areas, it's going to be difficult for us to
15 address E-waste as well. So we need to prioritize and we
16 need to start thinking outside of the box.

17 At the same time we need to have sufficient
18 permitting, tracking, and regulatory oversight,
19 particularly for particular areas where we have a large
20 collection and large treatment of these types of
21 materials. What we don't want to see our superfund sites.
22 And so those types of areas should be prioritized as where
23 we put our resources looking at and inspecting E-waste
24 type facilities.

25 In closing, I think we also need to look at not

1 only -- there's been a lot of discussion about China. But
2 we also need to look at our border to the south. And we
3 need to make sure that we're continuing communication with
4 Mexico and making sure that they're handling their
5 electronic waste the same way we're handling ours. And I
6 would encourage Secretary Hickox to continue that dialogue
7 with our counterparts in Mexico, because that's very
8 important.

9 Thank you.

10 DTSC DIRECTOR LOWRY: All right. Thank you.

11 Questions, Mike?

12 Mr. Hickox?

13 All right. Thank you very much.

14 What I would like to do now is take a 10-minute
15 break. And after that I think it might be useful to
16 invite any of the industry reps who testified before to
17 give us a 30 minute -- excuse me -- 30 second, 2 minute --
18 probably give us a 40 minute -- anyway, a brief statement
19 if anything has come up during the day which strikes them
20 that they'd like to share with us.

21 And then we will move to the public comments.

22 And you still have an opportunity to fill out cards in the
23 back.

24 Also I'd like to recognize Allen Gordon of
25 Senator Romero's office, who's sitting on the isle in the

1 front. Senator Romero had one of the E-waste bills last
2 year and has been a leader in this field.

3 And thank you for coming, Allen.

4 CIWMB BOARD MEMBER PAPARIAN: Mr. Lowry, I think
5 we should also recognize I think Randy Pestor --

6 DTSC DIRECTOR LOWRY: Oh, I didn't see him right
7 there.

8 CIWMB BOARD MEMBER PAPARIAN: -- representing
9 Senator Sher. Is trying to keep a low profile in the back
10 of the room.

11 DTSC DIRECTOR LOWRY: Hello, Randy.

12 All right. Thank you.

13 So we'll report back here -- it's seven after
14 three -- how about 3:15 or thereabouts.

15 (Thereupon a recess was taken.)

16 DTSC DIRECTOR LOWRY: All right. The first thing
17 I'd like to do is to bring back our industry reps, give
18 them an opportunity to say whatever they want in a short
19 period of time. And it may be that you will say, "I don't
20 have anything more to add. It's been a wonder discussion.
21 I've learned a lot, and we'll be back." Or you may have
22 something else to say. This is not meant to be an
23 inquisition, "What do think about this or that?" Just if
24 you've got anything else to share with us, we'd love to
25 hear it.

1 MS. BOWMAN: This is Heather from EIA again. And
2 I do appreciate being brought up again and being able to
3 respond to all of the information that we've learned
4 today. And, you know, whether it's through the NEPSI
5 dialogue or through forums like this, we always learn
6 something. And this opportunity is what's going to make
7 us able to create a sustainable solution. And we hope
8 that the message that is received by the panel and those
9 that have had enough of the panel today is that we're
10 willing to be a part of a solution or willing to take that
11 first step forward, working with California and making
12 sure that whatever California does is cost effective, as a
13 lot of the other panel members have said, levels out the
14 playing field, and is a shared responsibility model.

15 There are a lot of tough questions that we're not
16 going to be able to answer today. But we hope by working
17 together, we will be able to answer a lot of those tough
18 questions. And we're here to be a part of that.

19 So I appreciate the time. And I really don't
20 have a lot more to add, so I'm not going to waste your
21 time.

22 Thanks.

23 DTSC DIRECTOR LOWRY: All right. Well, thank you
24 very much.

25 Renee.

1 MS. ST. DENIS: Well, first of all, I'd like to
2 point out that you scared off half of our panel --

3 DTSC DIRECTOR LOWRY: I think we did, yeah.

4 MS. ST. DENIS: But like Heather, I don't have a
5 lot to add. But I do again want to thank you for the
6 opportunity to come forward. We at H-P are very
7 interested in working with the State of California to come
8 up with a solution for this issue. And I did hear a lot
9 of things today that helped me frame our position even
10 better.

11 So as I mentioned, Ed, you know, we're looking
12 forward to working with your team and people from Mike's
13 office to get this under way.

14 DTSC DIRECTOR LOWRY: All right. Great. Thank
15 you very much.

16 All right. We're in the home stretch for today.

17 And what I'd like to do is, we have 15 -- and now
18 I think it's been reduced by 1 -- 14 people who have
19 signed up to talk. And that's about 45 minutes at 3
20 minutes apiece, allowing for Mike and I and maybe the
21 Secretary to ask a few questions if they come up.

22 I have a little stopwatch up here. So when
23 you're three minutes are up, I'm going to let you know.

24 And the first person on the list is Mike Mohajer
25 from Los Angeles County.

1 MR. MOHAJER: Thank you, Mr. Lowry.

2 DTSC DIRECTOR LOWRY: All right. And you have 2
3 minute 57 seconds left.

4 MR. MOHAJER: Well, I'm glad that I guess at
5 least I get the opportunity to talk. I was hoping to be a
6 member of the panel, but I guess was not accepted. But --

7 (Laughter.)

8 MR. MOHAJER: -- I want to echo what Mr.
9 Hemminger and also -- let's see, I lost my notes over here
10 now that you gave me 3 minutes.

11 CIWMB BOARD MEMBER PAPARIAN: You probably want
12 to echo Mr. Hemminger, Ms. Wright --

13 MR. MOHAJER: Hemminger and Mike Dorsey.

14 But having said that, you know, as far as, you
15 know, what I do for L.A. County, I'm responsible for the
16 solid waste, hazardous waste underground tank, and clean
17 water and storm water program, and also the waste
18 discharges. So I pretty much oversee most of the
19 environmental program for the L.A. County. I operate the
20 largest household hazardous waste program in the nation.
21 And I start implementing the E-waste collection with my
22 household hazardous waste collection, we start in October
23 7th.

24 And I'm really the person that I have to put the
25 buck out there to pay for the cost. It is very

1 difficult -- and as I was sitting all day over here to see
2 that everything is being put back on the local government
3 and the local government has to pay.

4 The way as we see it that really the producer to
5 us the definition means people that they manufacture and
6 the people that they sell. So both the retailer and
7 manufacturer have to accept responsibility and be a good
8 really neighbor and a good businessman as they operate in
9 L.A. County.

10 I also look at California being the 5th largest
11 economically in the world, we have to take a leadership
12 and we have to address this. And I don't think we have to
13 wait to have a national policy. Because as old as I am, I
14 don't think that's going to happen by the time I get
15 recycled again.

16 (Laughter.)

17 MR. MOHAJER: Oh, by the way, Mr. Lowry, I don't
18 have a -- this is what I use. So this I don't have to
19 worry about whether it is toxic materials or not. It is
20 paper, it is recyclable, and it's pretty cheap too.

21 (Laughter.)

22 MR. MOHAJER: Having said that, I also heard from
23 the retailer that they said that electronic waste, that
24 the infrastructure is already there. And they suggested
25 like a beverage container, we can use the shopping center

1 to collect this materials. And that from the standpoint
2 of a person that is doing the program is absolutely -- to
3 me is nonsense. That's the best can I explain it.

4 I conducted one in Lancaster just a few months
5 ago. I collected 847 TV sets -- 847. So there's no way
6 we can handle that as a shopping center and claiming that
7 there is existing infrastructure.

8 So the other thing that I have for the people in
9 Sacramento, before you adopt any regulation I would really
10 strongly recommend -- I do it at the Waste Board on a
11 daily basis -- that you also have to look at the existing
12 infrastructures, consider infrastructure together with the
13 regulation why are you going to develop and process.

14 I hope as you move forward with developing a
15 legislative proposal that you would give L.A. County an
16 opportunity to also be a participant, because I think it
17 is a major problem that we have to address, and we like to
18 be a part of the solution rather than be an outsider.

19 Thank you.

20 DTSC DIRECTOR LOWRY: Thank you very much. And I
21 can assure you L.A. County is important in our thoughts.

22 Lesli Daniel from Sonoma County.

23 MS. DANIEL: Thank you for this opportunity to
24 share thoughts on E-waste.

25 The Sonoma County Waste Management Agency passed

1 a resolution supporting EPR's a year and a half ago and
2 we've been working on that ever since.

3 I just wanted to give you some idea about cost
4 information. There hasn't been a lot of discussion other
5 than a generic statement that it's an expensive program.

6 Those of us in the waste field usually think
7 about dollars per ton. In Sonoma County I've run the
8 figures of the costs. And it's costing \$1500 per ton to
9 manage E-waste. And that's solely CRT's.

10 To give that perspective for those who aren't
11 accustomed to dollars per ton, garbage in Sonoma County is
12 \$50 per ton. We estimate white goods at about \$300 per
13 ton. And household hazardous waste ranges between \$18 to
14 \$2,000 per ton. So you can see that at \$15,000 a ton --
15 or \$1500 rather, it is an exceedingly expensive program.

16 I've also calculated the handling costs. And I
17 know a lot of jurisdictions have not done this yet. Our
18 handling costs are 32 percent. If we take and consider
19 transportation, which unfortunately I can't break out of
20 my disposal costs at this point, I'm thinking that if we
21 go with an H-P model, where we're responsible -- local
22 government, that is -- for collection and
23 transportation -- the we're going to be carrying the
24 burden of 50 or greater percent in the near future for the
25 cost of this program. I just really want to keep that in

1 perspective.

2 I also want to address the issue of
3 infrastructure. There is an assumption that local
4 government has collection infrastructure, and to some
5 degree that's true. But let's not fool ourselves that
6 it's convenient. The vast majority of folks have never
7 been to a dump. Most people are accustom to garbage
8 service collected at the curb. So if we're relying on
9 transfer stations, that's not convenient. If we're
10 relying on one-day collections, that's not convenient. No
11 one here would really admit to saying that household
12 hazardous waste collection in our communities is yet
13 convenient. So I think if we want to serve the public,
14 that's another thing that we really have to face.

15 Not to mention if we increase the convenience of
16 the collection, we're certainly increasing the cost from a
17 public service standpoint.

18 I also want to bring up something else that I
19 haven't heard because we don't have people here that do a
20 lot of the operation. As I try to address actually
21 getting operation, what I find as worker health and safety
22 problems was managing these devises. They're very heavy.
23 And we don't have the kind of resources or setup that you
24 do in industry, belts and rollers and things of that
25 nature. So where in the future I expect we're going to be

1 seeing a lot more problems with worker health and safety.
2 As we try to address those, those are also going to
3 increase our handling costs.

4 Right now -- I was in Mendocino County. Their
5 response to how do they deal with the back-breaking job of
6 dealing with CRT's is they bring on probation labor to do
7 that.

8 So just to give you an idea, that's an issue that
9 will be on the forefront in the future.

10 And, lastly, I want to say that we must address
11 CED's, consumer electronic devices, when we take this
12 approach. Number 1, we must define those. We can't put
13 it back on businesses. We certainly can't put it back on
14 the consumers. And it isn't fair to put it on local
15 government to make the determination of what is and what
16 isn't hazardous.

17 My vote, just tossing it out there, is a
18 third-party review required by manufacturers to label
19 their products.

20 Anyhow, what needs to be done even for hazardous
21 waste managed by small businesses -- I get calls on a
22 daily basis of "Is this a hazardous product?" Okay, so
23 this is not a clear issue.

24 And, two, most of the CED's are going to take us
25 into smaller devices. The smaller the device, the greater

1 likelihood for illegal disposal.

2 So we really have to address this from a
3 standpoint -- right now in Sonoma County we're charging
4 per item because CRT's are large. That is causing illegal
5 disposal problems of a variety of sorts, not all of which
6 means it's ending up on the side of the road. My concern
7 is actually that a lot of it's ended up hidden in loads.
8 So they're still ending up in a landfill or we're catching
9 them through load check and then covering the costs.

10 When we talk about household hazardous waste we
11 all know, those of solid waste, that we have load checking
12 programs. We're already accepting a great deal of costs
13 for stuff hidden in garbage. So as we talk about CED's we
14 need to take a serious discussion about the reality of
15 getting them out of the wastestream, how serious we're
16 going to be about doing that, at what level of success.
17 And part of key to that is going to be making it free,
18 just like household hazardous waste. We don't charge for
19 household hazardous waste, not because we wouldn't like
20 to, not because it's not expensive -- I assure you it is
21 very expensive -- but because there's no reason to do it.
22 We wouldn't succeed at the level we do success if we
23 charged. And I think that's just as true when it comes to
24 CED's, smaller electronics that can be hidden in garbage.

25 Thank you very much.

1 DTSC DIRECTOR LOWRY: Thank you.

2 Okay. I can't pronounce this the way it's
3 spelled. Ceil Scandone, Association of Bay Area
4 Governments.

5 MS. SCANDONE: Thank you, and good afternoon.

6 As you said, I work for the Association of Bay
7 Area Governments. And I staff the Hazardous Waste
8 Management Facility Allocation Committee. And the members
9 include representatives -- local elected officials from
10 the nine Bay Area counties.

11 We selected electronic waste about a year ago as
12 a topic of concern because so many of our local agencies,
13 as you've heard from a number of our local agencies here,
14 both in the Bay Area and elsewhere, have immediate
15 pressing needs around this issue.

16 We do share the Governor's and your long-term
17 perspective and applaud the focus on product stewardship
18 and environmentally responsible design procurement and
19 contracting guidelines and those issues that speak to the
20 long term and what will happen with products that are
21 designed in the future.

22 But right now, we are focused most particularly
23 on cost-effective management of legacy waste, and our
24 seeking your help.

25 Our committee is asking that your E-waste

1 discussions address many of the concerns that deal with
2 the future that you've heard about today but also deal
3 with these issues in whatever way, whether it be
4 legislatively or through other activities that your
5 agencies may be engaged in with the legacy waste issues.

6 And in particular collection of course is a big
7 issue. There are a variety of collection models that are
8 in use. And we've heard about a lot of them today.

9 Local government is interested in having
10 resources and tools develop to identify what is cost
11 effective, identifying what local government should be
12 doing or for other things that they can be doing and
13 perhaps they're not already doing. We want to explore
14 strategic partnerships with local job training
15 organizations and local computer stores and other entities
16 that we've heard about today.

17 Infrastructure is a major issue. Local
18 government needs to of course focus on the types of waste
19 that it's dealing with, the household hazardous wastes and
20 small business types of waste. We want to work with
21 partners to identify existing or develop new tools and
22 resources to support the expansion of the processing
23 infrastructure within the United States.

24 We want to focus on those types of wastes that we
25 are collecting and dealing with. We are interested in

1 particular in certification processes for recyclers. We
2 want to expand the recycling infrastructure responsibly,
3 and we need help with setting standards and providing
4 training for recyclers and tracking certification and
5 ensuring compliance and ensuring worker health and safety.

6 We think that there are things that can be
7 done -- we applaud the direction to pass legislation this
8 year. We think it's really essential. But we think that
9 there are things that could be done while that legislation
10 is being crafted; and when it's successful, while the
11 details are being worked out about how it's going to work,
12 we think that working with your agencies and with the
13 federal government and others, there could be forums and
14 other opportunities to help us get the information that we
15 need and the standards in place to deal with the legacy
16 waste in a most effective way.

17 So I thank you for this opportunity.

18 DTSC DIRECTOR LOWRY: Thank you very much.

19 Pete Price.

20 MR. PRICE: Thank you. Pete Price representing
21 Appliance Recycling Centers of America, better known as
22 ARCA, which as far as I know is the largest appliance
23 recycling company in the country.

24 I'm motivated to speak today by really the
25 confluence of three facts:

1 Number one being the Governor's veto message of
2 1523, which put EU -- the EU producer responsibility
3 concept right in the middle of your discussions.

4 Secondly, the inclusion of large appliances in
5 the EU's directive. In fact they're the first group
6 listed.

7 And, thirdly, and the thing that brings us
8 together is the fact that for all of the focus on
9 electronic waste, this new generation of electronic
10 waste -- since 1991 California has had a law on the books
11 called Metallic Discards Act, which requires that
12 hazardous materials in appliances be removed before the
13 appliance is crushed or shredded for metal recovery. And
14 as Mark Murray mentioned this morning, this is a law
15 that's utterly failed for two reasons that are central to
16 the EU directive and that I sense from the discussion
17 today are getting greater acceptance from many parties in
18 the room and, that is, that there is no up-front fee or,
19 as one person described the variant of it this morning,
20 implicit fee at the front-end of the process. All costs
21 are imposed at the back-end. And there are great
22 incentives to avoid back-end costs.

23 And, secondly, the EU directive calls for an
24 inspection and enforcement, which there is none of from
25 the Metallic Discards Act.

1 A lot of people have talked about level playing
2 field. ARCA would like to throw in its 2 cents asking for
3 a level playing field. ARCA came to California 10 years
4 ago in direct response to the Metallic Discards Act,
5 seeing a need for their services. And as a lack of
6 enforcement is met, no market for the companies that do
7 comply with the law.

8 But that should not be your concern. But the
9 well being of the State of California, I would think.

10 There are about five million major appliances
11 discarded in California every year. And based on data
12 from the American Home Appliance Manufacturers and our own
13 findings from our plant in Compton, we think that
14 translates into about 321,000 pounds of PCB's from
15 discarded appliances every year; more than 40,000 pounds
16 of mercury; more than a million pounds of COC's and about
17 292,000 gallons of used oil from discarded appliances.

18 There are so many similarities between appliances
19 and electronics. For one, the state's golden boat is to
20 make sure that the hazardous materials are not improperly
21 released to the environment. That it would do well to
22 look again, even though I'm kind of tired of telling a
23 precautionary tale, as to why the appliance law has
24 failed.

25 The Metallic Discards Act prohibits landfill

1 disposal of appliances except under narrow circumstances.
2 To a fair degree that's being complied with. But the more
3 important part of the law is it requires that before
4 appliances are crushed or shredded in order to recover the
5 metal you have to remove these hazardous materials. And
6 the law actually identifies the hazardous materials that
7 must be removed.

8 This is the heart of the law. It's the part that
9 almost no one pays any attention to. And I think here's
10 why. Let's assume someone wanted to be a good citizen and
11 comply with the law, an appliance handler wanted to comply
12 with the law. In removing those hazardous materials, one
13 becomes a hazardous waste generator. And no one in their
14 right mind wants to be a hazardous waste generator, unless
15 the law says you have to become one. And then there's
16 going to be someone making sure that you actually do
17 become a hazardous waste generator and you do it right.

18 There's no one making sure that anyone becomes
19 that hazardous waste generator as the law requires. There
20 is a strong disincentive to following the law that we've
21 put in place. And the result is that these hazardous
22 materials remain in the appliances all the way down -- you
23 know, for both appliances and computers there's a
24 secondary chain of commerce. They get used again and they
25 get given to schools, they get -- eventually though they

1 die. And in the case of large appliances, eventually they
2 make their way to the metal scrap yard.

3 I have some sympathy for the gentleman from Sims
4 Metal earlier today who -- you asked him, Mr. Lowry, how
5 are they faced with an unlevel playing field?

6 It's precisely this: A load full of appliances
7 arrives at their gate. If they've been crushed or
8 shredded, they have a right to assume that the hazardous
9 materials have been removed because the law requires them.
10 They can then bring them in and do what they do with the
11 metal, including heating it to high, you know,
12 temperatures and smelting and whatnot.

13 If they arrive --

14 DTSC DIRECTOR LOWRY: You're about at your sixth
15 minute here, so --

16 MR. PRICE: Eleven years.

17 I'll be quick.

18 If they arrive whole, that's where he says, "Is
19 it my responsibility to remove those hazardous materials?"

20 So it needs to have a further upstream, and there
21 needs to be some checking at that gate to make sure that
22 they don't go in there with the materials removed.

23 I'd also -- Let me just make one final point.

24 You know, you think of a system as lousy as this, at least
25 we could say consumers aren't having to pay for it. But

1 the fact is they do. I bought a refrigerator last year.
2 Sears delivered my new one and told me to call this
3 company to have them come and pick up the old one. The
4 company came out. They charged me \$30 to have it taken
5 way.

6 Bruce Young told us today about someone who
7 charged \$100 to have a washer and dryer taken away. I
8 have absolutely no confidence that the person who took my
9 refrigerator away removed the mercury, PCB's, COC's and
10 used oils from the refrigerator. I paid the \$30, but I'm
11 pretty sure he didn't. So that's the worst of both
12 worlds.

13 DTSC DIRECTOR LOWRY: All right. So you want
14 some better enforcement on that, right?

15 MR. PRICE: I want an up-front fee, better
16 enforcement. And I think it ought to be part of the bill
17 you're considering now.

18 DTSC DIRECTOR LOWRY: All right. Thank you.

19 CIWMB BOARD MEMBER PAPARIAN: Pete, can I ask you
20 just a quick question. I'm sure -- your clients, I'm
21 sure, are dealing with this material responsibly, which
22 you're probably aware of competitors who are not dealing
23 with it as responsibly as your clients are --

24 MR. PRICE: Actually we know of almost no one who
25 we would even consider a competitor because it's another

1 world out there handling used appliances.

2 CIWMB BOARD MEMBER PAPARIAN: I'm just curious,
3 is electronics of the sorts we're talking about today
4 getting into this never-world wastestream that --

5 MR. PRICE: E-waste as you're referring to today?

6 CIWMB BOARD MEMBER PAPARIAN: Yes. That the
7 refrigerators and washing machines are getting into?

8 MR. PRICE: We don't see that material. That's a
9 separate -- no.

10 CIWMB BOARD MEMBER PAPARIAN: It's not getting
11 into the scrap yards and chopped up and --

12 MR. PRICE: Oh, I don't know. It doesn't come
13 through our facility. I mean -- I think the worlds where
14 E-waste moves and used appliances moves are two separate
15 worlds, except for good will and --

16 CIWMB BOARD MEMBER PAPARIAN: Thanks.

17 DTSC DIRECTOR LOWRY: Thank you.

18 Jeffrey Smedberg from the County of Santa Cruz
19 Public Works.

20 By the way, no one has gone under three minutes
21 yet.

22 MR. SMEDBERG: Thank you for the opportunity to
23 speak.

24 Jeffrey Smedberg. I'm the Second Coordinator for
25 the County Santa Cruz. I also manage our Household

1 Electronics Products Recycling Program.

2 Back in January our Board of Supervisors passed a
3 resolution basically supporting producer responsibility
4 including, including convenient take-back, sustainable
5 design, consumer incentive to take back, high recovery
6 rate, sound environmental practices, and supporting reuse
7 and refurbishment. And we urge the State Legislature to
8 pass legislation to carry that out.

9 And we of course lobbied during the past year to
10 support the bills that -- Senator Sher's and Romero's
11 bills that were trying address that.

12 Also the ordinance included a provision if the
13 state did not act by actually it was last October 15th,
14 that the county would consider a local ordinance to do the
15 same thing. And if you think California stepping out in
16 the lead is going to cause problems nationally, I think,
17 you know, local jurisdictions doing the same things is
18 going to create quite a hodgepodge.

19 Now, besides all the fine words, the Board of
20 Supervisors is also backing that up with a lot of hard
21 cash. Since January we have shipped over 200 tons of
22 electronic waste out of the county, and paying the
23 processor and haulers over a hundred thousand dollars to
24 do that.

25 Santa Cruz County makes up about 1 percent of the

1 State's population. And the Board knew that it wasn't
2 going to be able to continue at this level indefinitely.
3 One thing that's encouraged people to drop off at our
4 sites is that we do accept a small number from residents
5 at no charge.

6 Now, we really support true manufacturer
7 responsibility. And we have had some good successes in
8 the state with up-front fees, like with the bottle bill --
9 because of the bottle bill there's lots of places that you
10 can recycle your cans and bottles now. But look what it
11 took to get Coke and Pepsi to agree to put some recycled
12 plastic in their bottles. The bottle bill did not do
13 that.

14 If the bottle bill had required Coke and Pepsi to
15 take their soda bottles back, they probably would have --
16 you know, stuck with all these bottles, they probably
17 would have had a brainstorm and put some of them back into
18 the new bottles.

19 Same way with the motor oil program. Up-front
20 fee generates a lot of money. And we've got a lot of
21 collection locations, you know, all our curbside and lots
22 of drop-off locations. However, even with all the state
23 money we get to run that program, we try to promote
24 re-refined oil. And that program has been a total flop
25 because we are competing at the county level with oil

1 industry's marketing. And, again, if the oil industry in
2 a true manufacturer responsibility had been required to
3 take back all the used motor oil, why they would have
4 re-refined it and sold it back to us, and that would taken
5 care of that problem.

6 So just -- I think producer responsibility, you
7 want to make sure it's true producer responsibility so
8 that the market signals get back to the manufacturer and
9 that changes the products in the marketplace.

10 And the last point I wanted to make is that I
11 think it's essential that the retailers also be in the
12 loop, for two reasons:

13 One, is that the retailers are going to
14 provide -- as other people have said, you don't really
15 have collection infrastructure to handle this type of
16 material. The retailers would provide that. Take your
17 old one back -- you know, when you buy your new one, take
18 your old one back.

19 The other reason why the retailers need to be in
20 this loop is that they need to be -- and part of the
21 concept here, if they're out of the loop and they have no
22 incentive to do anything else but just keep selling us as
23 much new product as possible, you know, single use
24 disposable, a nonrepairable, non-upgradable material, then
25 we can spend a lot of effort doing other things and we're

1 still going to end up with the same difficult stream of
2 material to handle.

3 Thank you very much.

4 DTSC DIRECTOR LOWRY: All right. Thank you.

5 James Burgett, Alameda County Computer Resource
6 Center.

7 MR. BURGETT: Okay. I run the Alameda County
8 Computer Resource Center. And we're a nonprofit computer
9 recycling -- we take computers that have been donated to
10 us and we refurbish them and we give them away for free.

11 Now, I can't claim to have the same numbers as
12 some of the other people here. But I give it away for
13 free. Schools do not -- there is no school budget going
14 into the hardware I place.

15 Second, nothing I do leaves the State of
16 California. Well, no, I do have some processing up in
17 Canada for cathode ray tubes. My primary concern here
18 though is I've been hearing a lot of talk about recycling
19 and so forth. But I've heard nothing on reuse. Now, let
20 me make it very clear here that the companies that you
21 have here representing the electronics industry, from a
22 reuse standpoint are the worst offenders.

23 Compaq machines, Hewlett-Packard machines, IBM
24 machines -- these machines are not designed to be
25 refurbished or reused. They are designed to be stripped

1 and destroyed.

2 The reason for this is that our manufacturers
3 want to sell you another computer. They have no interest
4 whatsoever in maintaining the life span on the desk top.
5 Because of this, quite frankly, I think that you really
6 need to look at the reuse end of the issue, not at the
7 recycling end of the issue. Because, quite frankly, if
8 you recycle, you're just pumping more energy into it,
9 you're pumping more resources into it, you're paying more
10 people. If you can keep it on the desk longer, you're
11 better off.

12 That's it. I'll do it in well under three.

13 Thank you.

14 DTSC DIRECTOR LOWRY: All right. Thank you very
15 much.

16 (Laughter.)

17 DTSC DIRECTOR LOWRY: You have one thirty-five
18 left.

19 Bill Worrell from my home county of San Luis
20 Obispo.

21 MR. WORRELL: James yielded his minute and a half
22 to me.

23 DTSC DIRECTOR LOWRY: All right.

24 MR. WORRELL: Thank you. I'm Bill Worrell, San
25 Luis Obispo County Integrated Waste Management Authority

1 for seven cities and one county. And we run the household
2 hazardous waste program in that county and cities. And
3 I'm glad to tell you when the Department of Toxics made a
4 CRT ruling that they were hazardous, within a month we
5 have two facilities that opened up. They are available to
6 the public seven days a week at no charge, and also
7 available to nonprofits such Goodwill, who routinely bring
8 us between 100 and 200 units.

9 This program was actually recognized by the
10 California EPA last spring as the best E-waste program in
11 the State of California. We're very proud of that.

12 I won't deny that we were upset by the veto. I
13 think I talked to Mike Paparian down at SWANA and told him
14 our board was going to meet and discuss that. We did, we
15 looked at ways of addressing this issue directly with the
16 manufacturers.

17 And what you see is a survey that we did. We
18 were shocked. We surveyed five -- we found the first 500
19 TV's that came in where they were from. And we would have
20 expected 10 or 20 manufacturers. What we found was a
21 hundred different manufacturers produce those 500 TV's.

22 Hewlett-Packard, I hate to tell you, but you're
23 less than 10 percent. Sony, you're less than 4 percent.
24 And the 500 pound gorilla, Dell, brought us 2 TV's out of
25 500 -- 2 CRT's out of 500.

1 You can see there's no possible way we could deal
2 with all these different manufacturers. We need your help
3 and we need to deal with all of them and all of them
4 equally so there's no bias towards one or another.

5 And, finally, AB 939 in 1989 established local
6 government as a responsible agency to deal with household
7 hazardous waste. That's a responsibility we've accepted
8 and most local governments have accepted, and we're
9 dealing with that, including CRT's.

10 Now, if you want us to be responsible we need the
11 money from you guys to help us do that. Right now the
12 burden of regular household hazardous waste is bad enough.
13 To add this on top of it is almost insurmountable. We
14 don't need 60 new positions in the State of California to
15 deal with it. We need the money flowing to us so we can
16 deal with it like we've been dealing with the household
17 hazardous waste.

18 If you want to go and make producers responsible
19 for the program, that's fine. I'm sure local government
20 is glad to step out. If the state wants to take
21 responsibility, I'm sure local government is glad to step
22 out.

23 But at that point don't turn to us and ask us to
24 fix the problems that either the producers or the state
25 create. We're either willing to do it and help you --

1 help us do it by funding it or get all the way out of it.

2 Thank you very much.

3 DTSC DIRECTOR LOWRY: All right. Thank you.

4 Okay David Cauchi and Goli Gabbay from Nxtcycle.

5 MR. CAUCHI: I thank you for letting Nxtcycle
6 present today or give our opinions on a few things.

7 First of all, Next cycle processed 90,000 units
8 out of the State of California from 35 counties last year,
9 and anticipate that to go to 300,000 units this year.

10 We've expanded as of this week to nine new
11 collection centers throughout the state to cut down the
12 transportation and logistics costs that a lot of our
13 counties are facing dealing with Nxtcycle.

14 We did that in conjunction with the scrap company
15 that is involved in the universal waste, which is the
16 Adams Steel company.

17 We strongly support the producer responsibility
18 model. As a matter of fact, this year we had rolled out a
19 model called Shared Responsibility, of which the
20 municipalities that we have under contract, we afford them
21 the opportunity where Sony, Panasonic, and Sharp will pay
22 for the cost of the recycling of their products. And this
23 is an ongoing program that has been received very well.

24 Earlier this year, in October of this year, we
25 were asked to present a program to 750,000 households in

1 the city of Los Angeles. That included an outreach
2 education collection as well as the recycling of CRT's.
3 Our budget was based on the 10 percent participation
4 annual rate of participation from that region. And the
5 anticipated cost of that program was about 21 cents per
6 household per month, and over a 3 year span about \$6
7 million for that comprehensive program.

8 What we're finding is that funding wasn't
9 available to roll out the program as we submitted. And I
10 think there's going to be some changes in the program as
11 we go forward.

12 And this is why we are behind the Shared
13 Responsibility model. We're trying to get funding into
14 these counties and municipalities that are strapped for
15 funding for this collection problem. And we anticipate
16 this waste stream growing, doubling every year that we see
17 going forward.

18 Last, on the funding issue. I think it's very
19 important to keep the OEM's in this as a Shared
20 Responsibility model, not only on the front-end, but on
21 the back-end. They are ultimately the consumers of all of
22 our recycled products that were generated out of our
23 recycling facilities right now, our plastics and our
24 CRT's. So it is imperative that they stay within that
25 loop. And we would also see the elimination of the

1 recycling loop -- reusable loophole that's part of -- what
2 we thought was a part of the earlier legislation last year
3 that was vetoed. We would like to see that eliminated.
4 Because, truly, even in our programs, if it is reusable,
5 we don't charge for it because there is a market that will
6 support recovery of that product or the reuse of that
7 product.

8 Thank you.

9 DTSC DIRECTOR LOWRY: All right. Thank you very
10 much.

11 Debbie Raphael from the City and County of San
12 Francisco.

13 MS. RAPHAEL: Thank you very much for giving me
14 an opportunity to comment.

15 I was really pleased to hear today the issue
16 phrased differently than when I came in, what I thought.
17 It wasn't phrased whether we need producer responsibility.
18 I heard someone say what form it should take. And to me
19 that's a very significant shift in the conversation.

20 San Francisco has tried to engage retailers and
21 manufacturers to work with us voluntarily on a number of
22 occasions, and really share that responsibility of
23 collection and recycling. Our efforts were resoundingly
24 ignored. We now spend -- here's another number for you.
25 For us it costs \$45 per participant in our one-day events.

1 And that cost is only the collection and advertising.
2 It's not staff time. So the \$10 take-back fee wouldn't
3 even begin to cover our real costs of operating one-day
4 collection events.

5 Local governments would certainly like a national
6 solution and even a state solution. But San Francisco is
7 not willing to wait indefinitely for legislative action.
8 We are extremely hopeful that Senator Sher and Romero will
9 both be successful in introducing and passing legislation.
10 But in the meantime San Francisco Supervisor, Sophie
11 Maxwell, is drafting legislation that would mandate a
12 computer take-back program in San Francisco.

13 Unlike the way Sony phrased it today, we believe
14 that recycling a computer should be as easy as buying one.
15 This would mean that in San Francisco we're likely looking
16 at a retailer take-back program.

17 The legislation will also include purchasing
18 specifications that would address issues raised in both
19 the WEEE and the ROHS directives.

20 San Francisco is committed to working with our
21 fellow local governments across California to encourage
22 similar local legislation. While such a patchwork
23 approach may not be attractive to industry, it serves to
24 highlight the severity of the problem faced by local
25 government and are determination to force shared

1 responsibility. The same shared responsibility we have
2 heard so much about today when all of our voluntary
3 approaches have failed.

4 I want to briefly address some issues I heard
5 about incentives today. I think they're really important.
6 And legislation is absolutely the key to these incentives.

7 The incentives for manufacturers. Those include
8 purchasing specs and those include recovering and
9 recycling targets, very key elements of legislation.

10 For consumers there's already an incentive in
11 that we've already banned landfilling of the CRT's.
12 However, the ultimate incentive for consumers has got to
13 be a rebate of up-front fees.

14 We need a driver for participation and a
15 mechanism to ensure shared responsibility. Legislation
16 must be passed. If it is not at the nation or state
17 level, then it will be at the local level. San Francisco
18 is committed to making sure that this happens sooner
19 rather than later.

20 Thank you.

21 DTSC DIRECTOR LOWRY: All right. Thank you very
22 much.

23 Kurt Hunter from the Salinas Valley Solid Waste
24 Authority.

25 MR. HUNTER: Good afternoon. Thank you for the

1 opportunity to speak.

2 In spring of this year our board voted
3 unanimously to pass a resolution on EPR. We started
4 recycling computers at our three landfills and transfer
5 station in October of 2001. In selecting our contractor
6 we chose to set as a priority the reuse of the computers,
7 bringing them back to our community so poorer families
8 could take advantage of these computers. I'm happy to
9 report that over 100 computers have been distributed. And
10 we hope that any program that you set up does not
11 interfere with this activity.

12 DTSC DIRECTOR LOWRY: Let me ask you a question
13 about that.

14 You get a computer that someone obviously doesn't
15 use anymore. Does it run the software that you now buy.

16 MR. HUNTER: Software has been a problem.
17 Microsoft is not the most cooperative company in the
18 world. And we've had to put Linux on the computers that
19 we distribute. We wink and we look the other way. And
20 that's as far as that will go in terms of software.

21 DTSC DIRECTOR LOWRY: All right.

22 In our community, it costs as much to dump a
23 pickup truck full with garbage as it does to recycle or
24 properly dispose of one monitor. And that makes it a very
25 difficult sell to the community.

1 And I would encourage you if there are going to
2 be future landfill bans, that market development take
3 place prior, or at a minimum, simultaneously to that ban
4 going into effect. Because I think it's the lack of
5 markets that have set the bar for the cost that we are all
6 paying at the local level.

7 When the ban went into effect there were just a
8 handful of processors in this state. That set the price.
9 We are living with that price today. We've had to make
10 one adjustment already. It was an adjustment up. But
11 we'd like to see an adjustment down. I mean this cost is
12 astronomical for what we're doing. And I think that
13 hopefully with mass quantities in materials being recycled
14 we can reach that point.

15 I think producer responsibility makes a lot of
16 sense. As somebody that's been in the recycling industry
17 for 15 years now, I know it's behavior change. And if you
18 can catch that person at the beginning of the cycle, which
19 is when they purchase it, that they're knowledgeable that
20 that material is hazardous, they will properly dispose of
21 it.

22 If we try and do it at the end of the cycle and
23 try and capture some dollars in order to recycle it,
24 people get angry. We face this all the time at our
25 facilities. When they can dump a pickup truck full of

1 trash for a monitor, the people don't see the equality in
2 that. And that's something that needs to be taken into
3 account. And I hope that we continue forward with our
4 producer responsibility efforts.

5 DTSC DIRECTOR LOWRY: All right. Thank you.

6 Stephen Grealy from the city of San Diego.

7 MR. GREALY: Thank you very much for the
8 opportunity to share our thoughts. I work for the
9 Environmental Services Department down there.

10 We agree that we can't wait for a solution. This
11 is certainly an urgent need to be filled, and we should
12 get the legislation in this year.

13 Our last event it was open for six hours, and we
14 had 75 tons of E-waste, 3,000 vehicles. So there's
15 definitely a big demand for recycling these.

16 I think the scope of the WEEE is -- in effect
17 it's -- in reality it's too narrow. But in terms of
18 getting legislation passed, I acknowledge that we really
19 do need to focus. I think focusing alone on CRT's is to
20 narrow. I know Gateway's just switched over to flat
21 screens instead of the full monitor. So I think we ought
22 to at least have a broader definition of an electronic
23 visual display or something equivalent to that in the
24 legislation.

25 I think another long-term issue that we should be

1 looking at too is that -- so that the DTSC doesn't feel
2 that their hands are tied to identify something as
3 universal waste, there should be some sort of automatic
4 funding mechanism put in place so that the money can flow
5 to the appropriate place to sort of take the recycling, as
6 the previous speaker was talking about.

7 I think the solution was brought up about
8 historical waste being handled by a breakout of the
9 current market share of the companies. Not the ones that
10 are coming into the E-waste facilities now, but the parent
11 market share is an elegant one.

12 I think that take-back by the companies
13 themselves is a very important element, not putting in a
14 front-end fee and then funneling the money back to local
15 government. And the reason for that is the markets are
16 very volatile right now, whether you're sending to a -- or
17 a glass to glass. And it will -- as legislation comes in
18 to play and a lot more material hits the market, the
19 prices to move material in that market will go up. So as
20 far as the local government's concerned, it's much better
21 that those units are going back to the manufacturers, and
22 let them deal with designing it, as the previous speakers
23 have spoken of. They will redesign it so the costs are
24 kept down. But if we are the ones that are taking it back
25 to the marketplace, the costs will keep going up and they

1 won't be easily managed.

2 I think also putting a fee on the trash bills the
3 people pay rather than on the units themselves is an
4 environmental justice issue we need to address. If people
5 aren't using a lot of electronics, they shouldn't be
6 helping to foot the bill at the same levels as people that
7 do get to a lot of electronics.

8 And, finally, I agree with what -- two comments
9 you made earlier, Mr. Lowry, about if you -- I think an
10 elegant solution would be to put a label on a computer of
11 a manufacturer that has participated to say this is not
12 hazardous waste. I think that might be a way to easily
13 educate the consumer so they can make an informed decision
14 about a participating company and it would also help local
15 government not have to deal with it as hazardous waste.

16 I also agree with the other question you put to
17 one from the industry earlier: Why should taxpayers foot
18 the bill?

19 Thank you very much.

20 DTSC DIRECTOR LOWRY: Thank you very much.

21 Matthew Jones from Sacramento State University.

22 Looks like he's gone.

23 Denise Delmatier, NorCal Waste Systems.

24 MS. DELMATIER: Director Lowry, Board Member

25 Paparian, we worked very hard on both bills last year. We

1 were surprised and disappointed to see the veto come out,
2 but the veto message was in fact encouraging.

3 But the one issue that I wanted to mention today
4 is, we support all the comments by local government as far
5 as attesting to the high costs of running these programs.
6 Private industry -- the private solid waste industry also
7 is in the same boat with local government as far as
8 handling these costs of materials.

9 The difference between private solid waste
10 industry and local government is we don't set our own
11 rates. I just want to make sure. I know both -- Board
12 Member Paparian understands this. But, Director Lowry, we
13 have no authority to recoup our costs from this. It's
14 very expensive.

15 DTSC DIRECTOR LOWRY: All right. Fair comment.
16 Thank you very much.

17 Is there anyone else who would like to share some
18 thoughts with us?

19 Yes, in the back.

20 Come forward please so our reporter can get it
21 down.

22 And you need to re-identify yourself.

23 MR. BURGETT: I'm James Burgett again from the
24 Alameda County Computer Resource Center.

25 I have a quick observation. With the advent of

1 the HD TV and the advent of the flat screen TV, the people
2 who talk to you about glass-to-glass recycling are really
3 not paying attention to what the future holds. There will
4 be almost no market for that glass in the very near
5 future.

6 DTSC DIRECTOR LOWRY: And there will be a whole
7 bunch of that glass too.

8 MR. BURGETT: That is true.

9 Thank you.

10 DTSC DIRECTOR LOWRY: All right. Thank you very
11 much.

12 Well, thank you, everyone, for coming.

13 Before I turn the microphone back over to Mr.
14 Paparian I would like to say that I learned a lot today.
15 And I'm very gratified of the energy that people brought
16 to this workshop. A lot of people thought a lot and hard
17 about it. Some of you traveled great distances. This is
18 not the last time we're going to get public input in one
19 form or another, nor is it the last we'll see of this
20 issue.

21 Thank you from my seat here, Department of Toxic
22 Substances Control.

23 And, Mr. Paparian, do you have any final
24 thoughts?

25 CIWMB BOARD MEMBER PAPARIAN: Thank you.

1 I also want to thank everybody. I thank you all
2 for sticking around this long. I hope you found it as
3 interesting and worthwhile as I did.

4 I wish I could give an award to you for stamina
5 for hanging out at a workshop like this all day long.

6 It was mentioned this morning that we're going to
7 set up an E-mailbox for comments. And I wanted to
8 announce what the address of that E-mailbox is, although
9 it will be on the Cal EPA web page, as I understand it, by
10 tomorrow, if it's not already up there.

11 That E-mail address is simply Ewaste,
12 Ewaste@CalEPA.CA.GOV. And the mailbox is live right now,
13 if you are so inspired to immediately go back and -- or
14 use your wireless device here and send us a comment, that
15 would be fine.

16 (Laughter.)

17 CIWMB BOARD MEMBER PAPARIAN: You can take some
18 time in doing that.

19 Again, thank you all for coming. I appreciate
20 all the input.

21 DTSC DIRECTOR LOWRY: And thanks to our staff,
22 peggy Harris behind me, Shirley Willd-Wagner. And to our
23 reporter, who's fingers are undoubtedly very tired.

24 (Laughter.)

25 Thank you very much.

1 (Thereupon the Public Forum on E-Waste
2 was concluded at 4:10 p.m.)
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1 CERTIFICATE OF REPORTER

2 I, JAMES F. PETERS, a Certified Shorthand
3 Reporter of the State of California, and Registered
4 Professional Reporter, do hereby certify:

5 That I am a disinterested person herein; that the
6 foregoing Electronic Waste Forum was reported in shorthand
7 by me, James F. Peters, a Certified Shorthand Reporter of
8 the State of California, and thereafter transcribed into
9 typewriting.

10 I further certify that I am not of counsel or
11 attorney for any of the parties to said forum nor in any
12 way interested in the outcome of said forum.

13 IN WITNESS WHEREOF, I have hereunto set my hand
14 this 9th day of December, 2002.

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